



Daily Report

China

FBIS-CHI-92-250
Tuesday
29 December 1992

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FBIS-CHI-92-250

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General

XINHUA Interviews Qian on Policy, Diplomacy

OW2912094692 Beijing XINHUA in English
0924 GMT 29 Dec 92

[Text] Beijing, December 29 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen today answered questions raised by a XINHUA correspondent on China's diplomatic work in 1992.

He quoted a line from a poem by the late Chairman Mao Zedong to the effect that "the pines stand firm amid the riotous clouds", to illustrate China's diplomatic work in the year.

Question: Will you please explain what new progress has been made in China's diplomatic work this year compared with the previous two years? What are the outstanding features in this regard?

Answer: The most obvious feature is that China steadily developed its relations with the surrounding countries and strengthened its involvement in multilateral activities.

A year ago the Soviet Union, which was the largest neighbor of China and shared a border more than 7,000 km long, disintegrated suddenly. The region of the former Soviet Union contiguous to China was divided into the four countries of Russia, Kazakhstan, Kyrgyzstan and Tajikistan.

At the time some people worried that this would cause instability in China's border areas.

The Chinese Government respects the choice of the peoples of other countries and handles state-to-state relations in accordance with the Five Principles of Peaceful Co-existence.

It immediately declared its recognition of a dozen newly independent countries and established diplomatic relations with them one after another.

Over the past year China's relations with these countries have quickly embarked on the normal track of development. New progress has also been made in bilateral economic relations and trade.

Now China's relations with northeast, southeast, south and central Asia and Russia, are all growing and its security environment has been improved fundamentally. The report to the 14th National Congress of the Chinese Communist Party points out that now China's surrounding environment is in the best period since the founding of the People's Republic in 1949. These are firm evidence for this judgment.

As a permanent member of the Security Council of the United Nations, China has taken an active part in multilateral activities. Its international influence has been on the increase with each passing day.

For example, early this year Chinese Premier Li Peng headed a delegation to participate in the Security Council summit, with 15 countries attending. Last June he attended the Earth Summit at the head of a Chinese delegation. China has officially become an observer of the Nonaligned Movement. It has also taken part in the multilateral peace talks on the Middle East and officially joined the Treaty on the Nonproliferation of Nuclear Weapons and the UN peace-keeping effort in Cambodia.

Question: Please comment on China's relations with other countries, especially those with the United States, Russia, Japan and European countries, in light of the current domestic and international situation.

Answer: Despite the drastic changes in the international situation, China continued to march along the road of socialism with Chinese characteristics with full confidence over the past year. China's reform and opening and its economic construction have entered a new stage since Comrade Deng Xiaoping made important remarks during his inspection tour of south China at the beginning of the year, and the 14th National Congress of the Chinese Communist Party was successfully convened in October. This has created even better conditions for China to develop equal and mutually-beneficial friendly relations and co-operation with other countries.

To develop the traditional friendly relations and co-operation with the Third World countries has always been a mainstay of China's foreign affairs. China shares many common viewpoints with the many developing countries on major international issues, including human rights, anti-hegemonism, South-North relations and the new world order. Mutually beneficial cooperation in various fields has also kept expanding.

This year Sino-U.S. relations have been restored and improved to some extent, but difficulties also existed. China and the U.S. reached agreements on the protection of intellectual property and market access. The recent visit of Chinese State Councillor and Minister in Charge of the State Science and Technology Commission Song Jian to the U.S. and the visit of U.S. Secretary of Commerce Barbara Franklin to China showed that Sino-U.S. relations in the economic, trade, scientific and technological fields have returned to normal. We have also taken note that U.S. President-elect Bill Clinton, in a recent speech, expressed a positive intention to develop Sino-U.S. relations. We hope that China and the U.S. increase trust and reduce trouble, develop co-operation and avoid confrontation. As long as the two countries strictly abide by the principles set forth in the three Sino-U.S. Joint Communiques, Sino-U.S. relations will be safeguarded and developed.

Sino-Russian relations have developed steadily over the past year, and their economic and trade relations have shown a trend to increase. President Boris Yeltsin's visit to China and the first Sino-Russian Joint Declaration pushed bilateral relations to a higher level. China will develop long-term and steady friendly and co-operative

relations with Russia in accordance with the Five Principles of Peaceful Co-existence, in particular the principles of equality, mutual benefit and friendly neighborliness.

This year Chinese Communist Party General Secretary Jiang Zemin and Chairman Wan Li of the Chinese National People's Congress Standing Committee visited Japan, while Japanese Emperor Akihito visited China for the first time. The visits promoted the healthy and steady development of Sino-Japanese relations. Both China and Japan hope to learn the lessons of history and look to the future, and be friends from generation to generation.

China's relations with countries in the the European Community have improved and developed. Investment from the industrial and commercial circles of Europe to China increased by a large margin this year, and economic co-operation and trade are expanding. This is in the interests of both sides. The Chinese Government is willing to develop relations with the European countries on the basis of seeking common ground while reserving differences, mutual respect for each other's sovereignty, non-interference in each other's internal affairs, equality and mutual benefit.

Question: What do you predict for the future development of China's foreign affairs?

Answer: China is experiencing a period of vigorous development, centered on economic construction. Its foreign affairs must serve to create a long-standing and steady international environment of peace for its economic construction.

At present, all nations, developed or developing, share the view that whether a nation is strong or weak, especially in the economic sense, will decide its status in the 21st Century. Therefore, they are generally turning their attention to domestic affairs, attaching great importance to economic construction and to developing economic co-operation. All nations are becoming more and more mutually dependent, harmonious, complementary and mutually restricted.

China is speeding up its reform, expanding its opening to the outside world and aiming to establish a system of socialist market economy. These factors provide China with even more opportunities for economic co-operation with other countries. All men of deep insight and far-sighted statesmen in other countries advocate developing relations with China in a positive way.

China is willing to develop relations of friendship and co-operation with countries all over the world. We hold that differences in social systems and ideology or different viewpoints on certain issues should not present an obstacle to the development of normal relations between nations. China is willing to strengthen mutually beneficial co-operation by seeking common grounds while reserving differences and with a flexible and practical attitude.

However, China is firm in its stand on major questions of principle such as Taiwan, Hong Kong, Tibet and other issues relating to China's state sovereignty and the fundamental interests of the nation. China will never barter away its principles, and there is no room for concession in this respect. Any acts interfering in China's internal affairs would arouse strong reactions from the Chinese people.

Question: Please say a few words about your experience as foreign minister.

Answer: Our country is like a great ship sailing on the ocean. Despite strong winds and turbulent waves, the ship has been sailing in the right track towards the destination.

Like any other job, there are both happiness and hardships in diplomatic work, which is impossible without the powerful backing of the motherland.

Last year, in describing the rapidly changing international situation and our calmness in dealing with it, I quoted, in an article, the lines "sit tight in Diaoyutai despite the rising wind and waves". A careful editor changed the word Diaoyutai to "Diaoyuchuan" (fishing boat), of course he was right. But as a matter of fact, I intentionally use the word because Diaoyutai (the name of the state guesthouse in Beijing) is the place where our country's important diplomatic activities take place.

Recently I quoted Chairman Mao's poem "The Pines Stand Firm Amid the Riotous Clouds" in another article, it was out of the same consideration.

This is what I have to say about my job.

U.S., Russia Open 'Last Gasp' START Talks

OW2812134692 Beijing XINHUA in English 1333 GMT 28 Dec 92

[Text] Geneva, December 28 (XINHUA)—U.S. Secretary of State Lawrence Eagleburger and Russian Foreign Minister Andrey Kozyrev began "last gasp" talks here today on the Strategic Arms Reduction Treaty (START). The aim is to reach an agreement before President George Bush leaves office on January 20.

Yesterday, Eagleburger told reporters that there was a "better than 50-50 chance" to finalize this second part of the historic treaty.

If the talks are successful, the American and Russian presidents will sign the treaty next week at a Black Sea resort, completely abolishing their most deadly nuclear weapons, including land-based missiles equipped with multiple warheads.

START I, which was completed last year, reduced the nuclear arsenals of the U.S. and the former Soviet Union by about 30 percent.

According to Eagleburger, there are three fundamental issues to be resolved during his meeting with Kozyrev:

The first has to do with SS-18 silos, the second with downloading SS-19 missiles, and the third with very complicated questions of the U.S. B52 and B1 bombers.

Russia should abandon all its SS-18s under the treaty, but it argues that it cannot afford to carry out the destruction of the silos. The U.S., previously insisting on total destruction, would allow Russia to keep some of the silos, Eagleburger said.

On the SS-19 missiles, Eagleburger said Russia could keep some, but without giving the exact number.

But he described the issue of the U.S. B52 and B1 bombers as possibly the most difficult part of the talks.

Agreement Reached on Treaty

OW2912115292 Beijing XINHUA in English 1147
GMT 29 Dec 92

[Text] Geneva, December 29 (XINHUA)—U.S. Secretary of State Lawrence Eagleburger announced here today that he had reached an agreement with Russian Foreign Minister Andrey Kozyrev on a START [Strategic Arms Reductions Treaty] II treaty to sharply reduce the nuclear arsenal of both sides.

Speaking at a brief news conference following talks, Eagleburger said that "we had made very good progress" and "we now have a thick text we can put to the two presidents."

Kozyrev told reporters that they are pleased that they are now waiting for reactions from Moscow and Washington.

Eagleburger said it is up to Presidents Boris Yeltsin and George Bush to look at the document and make the final decisions.

"I hope we will have news for you within the next few days," he said.

The two sides started their talks on the Strategic Arms Reduction Treaty (START) on Monday [28 December].

Report on U.S. Downing of Iraqi Aircraft

OW2812013492 Beijing XINHUA in English 2332
GMT 27 Dec 92

[Text] Washington, December 27 (XINHUA)—U.S. President George Bush said today that Iraq made a "big mistake" in testing the U.S. will by allowing its warplanes to enter the "no-fly" zone in southern Iraq.

U.S. F-16 fighters shot down an Iraqi aircraft this morning (local time) when it entered south of the 32nd parallel that marks the restricted airspace over southern Iraq.

It was the first shooting-down incident since the "no-fly" zone was enforced by the U.S.-led forces last August.

"I don't know what he (Iraqi President Saddam Husayn) is doing, but he has made a big mistake," Bush said in Houston, where he is inspecting his new home for his family to live after leaving the White House early next year.

"I have heard that it might be some test of our will near the end of my presidency," Bush said.

Earlier, Lt. Col. Marc Martens, spokesman of the Central Command, said, "At approximately 11 a.m. Iraqi time, a U.S. Air Force F-16 assigned to Joint Task Force Southwest Asia shot down an Iraqi fighter aircraft inside the no-fly zone, approximately 20 miles (32 kilometers) south of the 32nd degree north parallel."

The incident began at about 10:20 a.m. Iraqi time when two Iraqi aircraft first crossed into the no-fly zone. When U.S. forces tried to get the Iraqi pilots to identify themselves, Martens said, the Iraqi planes flew back north out of the no-fly area.

"Approximately 20 minutes later coalition forces identified another flight of Iraqi aircraft approximately 20 miles (32 kilometers) inside the no-fly zone," he said. "The fate of the pilot is unknown."

Meanwhile, Iraq said today that it reserved the right to respond to the downing of its plane by U.S. fighters.

"We reserve for ourselves the right to reply to this aggression in the appropriate manner and at the appropriate time," an Iraqi military spokesman was quoted as saying by the Baghdad radio.

Bill Clinton's Response

OW2812041792 Beijing XINHUA in English 0300
GMT 28 Dec 92

[Excerpt] Washington, December 27 (XINHUA)—U.S. President-elect Bill Clinton voiced his support today for President George Bush's position on pressing Iraq to comply with U.N. resolutions.

In a written statement issued in Little Rock, Arkansas, on the U.S. downing of an Iraqi aircraft this morning over the "no-fly" zone in southern Iraq, he said: "This is part of a series of tests of international resolve to bring Iraq into compliance with United Nations resolutions.

"(Iraqi President) Saddam Husayn is mistaken if he believes the United States or the United Nations lacks that resolve. I support efforts to bring Iraq into compliance." [passage omitted]

'Text' of UN Envoy's Speech on Human Rights

OW2812165092 Beijing BEIJING REVIEW in English
No 51, 21-27 Dec 92 pp 8-9

[Text of a speech on human rights given by Li Daoyu, PRC ambassador to the United Nations, at the Third Committee of the 47th Session of the General Assembly on 2 December]

[Text] The 1993 World Conference on Human Rights will be a very important meeting. It will be most useful for taking stock of the achievements made by the United Nations over the past decades in promoting and protecting human rights, and formulating guidelines for future activities in this field. We hope that the conference will be crowned with success. To make the conference successful, the preparatory committee has held three sessions and produced some positive results. Through the concerted endeavour of all countries, issues such as the composition of the bureau and the participation by nongovernmental organizations have been solved, and the provisional rules of procedure adopted. On the conference agenda, Asian countries have put forward constructive ideas, and reached consensus. This shows that as long as we act in the spirit of seeking common ground while preserving differences, and conduct negotiations on an equal footing, questions can always be resolved.

It is our shared aspiration for a successful World Conference on Human Rights. To turn this aspiration into reality, two essential points need to be emphasized. First, the world conference should genuinely reflect the reality in the field of international human rights activities. Second, while the conference is expected to cover the global human rights concerns, it should pay special attention to the concerns of the developing countries whose population accounts for the overwhelming majority of the world's total.

First of all, the world conference should give priority to the deliberation on the issue of the massive gross violations of human rights resulting from racism, apartheid, colonialism and foreign aggression and occupation, seek more effective ways and means to terminate these acts and support people who have not won the independence in their struggle to obtain and exercise their right to national self-determination. Secondly, since the unreasonable and unjust international economic order gravely hinders the economic and social development of developing countries, obstruct their people's enjoyment of human rights and even threaten the survival of some people there, the conference should not only reaffirm that the right to development is an inalienable human right, but introduce effective measures for the realization of this right. Thirdly, the conference should emphasize the individuality and interdependency of different categories of human rights and ensure the universality, objectivity, impartiality and nonselectivity of human rights. Fourthly, the conference should reiterate the principle of state sovereignty which constitutes one of the fundamental norms of the international law, respect the right of all countries to choose independently their political, economic and social systems as well as their road to development. All countries have the right to and can only improve their human rights conditions step by step in line with their own values, their social environment and cultural tradition, enjoying higher degree of spiritual civilization while steadily enriching their material civilization. Such practice as imposing on others one

or a few countries' political systems, economic mode and values, including their human rights concept must be rejected. Fifthly, the conference should enhance international cooperation in the field of human rights. Such cooperation should be based strictly on the purposes and principles of the UN Charter and on mutual respect and equal exchange. The human rights forum of the United Nations should not become a place of unleashing political attacks upon other countries.

The world we are living in today is such that the widening gap between the North and the South has made the rich richer and poor poorer. According to the statistics of the United Nations, 1 billion people, i.e. one fifth of the world population, are still living in abject poverty. 1.75 billion people do not have safe drinking water and 800 million do not have enough to eat. For them, it is a daily struggle to survive, let alone the enjoyment of various human rights and fundamental freedoms. Facts have proved that without national economic and social development, it is impossible to improve people's living conditions and educational level, and, furthermore, the realization of human rights and fundamental freedoms will simply remain empty words.

In a world where the balance is so tilted, what choice should we make? If one really intends to promote and protect human rights, if one genuinely cares about human rights situation in developing countries, then the first thing for him to do is to help remove obstacles to the development of developing countries, lessen their external debt burden, provide them with unconditional assistance and create a better international environment for their survival and development. Regrettably, reality proves to be just the contrary. Human rights have in many cases been artificially politicized and used as tool to pursue certain ideology and economic pattern. Some people accuse one developing country of violating human rights today, attack another for being not democratic tomorrow, and make the acceptance of their so-called human rights standard condition for providing assistance. Facts show that acts of imposing on others can only intensify social turbulence, ethnic clashes, religious disputes, and, sometimes, armed conflicts. As a result, the human rights situation, instead of being improved, is even more deteriorating.

Full enjoyment of human rights and fundamental freedoms is a lofty goal long yearned for by mankind. Its achievement depends on the concerted endeavour of the international community. The United Nations has, in the past 40 years or more, formulated and adopted scores of human rights conventions and declarations and established a set of human rights standards, which have greatly enhanced the protection of human rights and dignity of man. The Chinese Government has all along appreciated and supported the United Nations in its efforts for universal promotion of human rights and fundamental freedoms, actively participated in and contributed to various UN activities in the field of human rights. The Chinese Government is committed to the World Conference on Human Rights and has positively

and earnestly participated in the consultations on draft resolutions and other matters relative to the conference. The proposal regarding the regional preparatory meetings and the emphasis on the relationship between development and enjoyment of human rights by the world conference was originally put forward by China and some other countries and later accepted by all. We have also favoured and supported the increase of financial support to the least developed countries to ensure the universal participation in the conference as well as its preparatory activities by contributing US\$11,000 for this purpose.

The Chinese Government has always attached importance to human rights issues. It has been the aspiration and objective of the Chinese Government and people to steadily promote the development of human rights. On the basis of mutual understanding, mutual respect, equality and seeking common ground while preserving differences, we are willing to work with the rest of the international community in a sustained effort to strengthen international cooperation in the field of human rights.

Beijing Radio Interviews Representative to UN

OW2312122292 Beijing China Radio International in English to Western North America 0400 GMT 23 Dec 92

[Report by (Li Peiquan) on interview with Li Daoyu, PRC ambassador to the United Nations, by UN correspondent (Liu Hui); place and date not given—passages in quotation marks denote Li Daoyu speaking in Mandarin fading into (Li Peiquan's) report in English; from the "Current Affairs" program]

[Text] The United Nations' role in the world is expanding in keeping with changes in the global situation. CRI's [China Radio International's] UN correspondent (Liu Hui) conducted a year-end interview with Ambassador Li Daoyu, China's resident representative to the United Nations to get his assessment of the changes. Here is (Li Peiquan) with her report:

[(Li Peiquan)] Ambassador Li Daoyu says: The trend toward a multipolar world is reflected in the United Nations. A clear indication is the increasingly important role being played by Third World countries as represented by the Nonaligned Movement and the Group of 77.

[(Li Daoyu)] "They use the striving for peace and development and the maintaining of sovereignty as their basic call on such issues of vital interests to them as disarmament, environmental development..."

[(Li Peiquan)] Li Daoyu says: The basic message of these organizations is the need for peace and development and the defense of state sovereignty. They have made many proposals on matters that affect them, including disarmament, environmental development, the fight against

colonialism and racism, and the promotion of North-South dialogue. The Chinese representative points [as heard] that the ending of bipolar confrontation does not mean we have entered an era of peace. The world situation is still turbulent. Ethnic, territorial, and religious disputes have intensified and, in some places, have led to bloodshed and localized wars. Li Daoyu says: In this changing situation the status of the United Nations is becoming more important. Peacekeeping operation does seem an effective way for the United Nations to play its role. Of the 26 UN peacekeeping actions carried out since 1948 half have been in the last four years.

[(Li Daoyu)] "Since early this year, the United Nations successively carried out two largest-scale restoration operations in history. The UN organization for the transitional period in Cambodia..."

[(Li Peiquan)] Li Daoyu says: This year, the United Nations initiated its two largest-scale peacekeeping actions to date in Cambodia and former Yugoslavia. There are also plans to send a peacekeeping force to Mozambique by the end of the year. At present, there are about 60,000 military and nonmilitary personnel from 70 countries taking part in UN peacekeeping activities. Li Daoyu says: The world body plays an important role in promoting the solution of regional conflicts and the easing of tension. United Nations' peacekeepers are currently trying to stabilize the situation in Croatia and safeguard the delivery of humanitarian relief in Somalia and Bosnia. These indicate the important and effective role the United Nations can play in maintaining world peace and security. Li Daoyu says: Along with the increase in the number of such actions, the UN is also expanding the role they may play.

[(Li Daoyu)] "The function of peacekeeping operation is no longer limited to supervising cease-fire and troop withdrawal and preventing the escalation of conflicts only..."

[(Li Peiquan)] The ambassador says: The function of peacekeeping action is no longer limited to supervising cease-fire and withdrawals or preventing the escalation of conflicts. The United Nations is gradually becoming involved in such activities as safeguarding humanitarian relief operations and helping implement peace agreements. These activities have now broadened to include overseeing the disarmament of hostile forces, the maintenance of social order, the repatriation of refugees, the supervision of elections, and assistance to interim governments. Li Daoyu points out that with the increase of peacekeeping actions the UN is facing increasing pressure in staff and material resources. The ambassador says that, as a permanent member of the UN Security Council, China is devoted to maintaining world peace and security and supports the United Nations' broadening of its role in maintaining world peace. But Li Daoyu stresses the need for continued adherence to the organization's governing principles.

[Li Daoyu] "Peacekeeping actions must be based on the principles and aims set forth in the UN Charter, must be carried out at the request of the countries concerned, and must obtain the approval of the parties concerned..."

[(Li Peiquan)] Li Daoyu says: UN peacekeeping actions must be based on the principles and aims set forth in the United Nations Charter. They must comply with the request of the parties concerned and seek their approval and cooperation. He says: Peacekeeping actions must strictly respect state sovereignty and the principle of noninterference in internal affairs, and they must strictly adhere to the standard of neutrality and justice. In conclusion, Li Daoyu says, China has taken an active part in United Nations' peacekeeping operations in recent years. For the first time, in 1990, China sent military observers to take part in a cease-fire supervision team. Since then, the country has contributed 87 military observers and 401 engineers to such operations. Their discipline and devotion to their duties have won them the respect of local people and the United Nations.

For China Radio International, I am (Li Peiquan).

UN Urges Angolan Parties To Engage in Dialogue

OW2212235592 Beijing XINHUA in English 2317
GMT 22 Dec 92

[Text] United Nations, December 22 (XINHUA)—The UN Security Council today urged the two parties to the Angolan peace accords to engage in "a continuous and meaningful dialogue" in an effort to put the country's peace process back on track.

In a statement issued by Council president of the month, Chinmaya Gharekhan of India, at a meeting this afternoon, the Council expressed "serious concern" at the lack of progress in implementing the peace accords, which the Angolan Government and UNITA [National Union for the Total Independence of Angola] signed last year to end the country's 16-year civil war.

"The Security Council reiterates its strong appeal to the two parties to engage in a continuous and meaningful dialogue aimed at national reconciliation and at the participation of all parties in the democratic process and to agree on a clear timetable and program of action to complete the implementation of the peace accords," it said.

The statement described as "dangerous" the political and security situation in the country in the last two months and asked President Jose Eduardo dos Santos and UNITA leader Jonas Savimbi to accept the UN secretary-general's invitation to a joint meeting at an agreed location.

Secretary-General Butrus Butrus Ghali said in a report to the Council yesterday that he had asked the two leaders to meet under his auspices and in his presence in Geneva later this month.

However, while both agreed to the meeting, President dos Santos insisted that it be held in Luanda, the country's capital, a venue that would be objected by Savimbi out of security reasons.

The peace process in the country was interrupted in early November when hostilities resumed between the two parties after UNITA refused to accept the results of the UN-monitored legislative and presidential elections of September 29 and 30.

The statement asked the National Union for the Total Independence of Angola (UNITA) to immediately withdraw from the two northern cities of Uige and Negage, which it occupied on November 29, to enable the restoration of government administration there. UNITA has occupied up to two-thirds of the municipalities in the country.

The Council once again urged the two parties to demonstrate their commitment to the peace accords, particularly regarding the confinement of their troops and collection of their weapons, demobilization, formation of the national armed forces and restoration of the central administration throughout the country.

It considered as "essential" that both parties "agree without delay" on security and other arrangements which would allow all ministers and other high-ranking officials of the newly-formed government to occupy the posts offered by the government and for all deputies to assume their functions in the national assembly.

The Council stressed the need for the two parties "to produce early evidence" of their willingness and ability to work together to implement the peace accords before it would consider authorizing a larger mandate and strength for the UN Angola Verification Mission II (UNAVEM II) as requested by the two parties.

UNAVEM II has now 210 military observers and 77 police observers in the country and Butrus Ghali recommended to restore the strength to 350 and 126 respectively as originally authorized by the Security Council if the peace process is saved.

47th UN General Assembly Session Adjourns

OW2412062892 Beijing XINHUA in English 2226
GMT 23 Dec 92

[Text] United Nations, December 23 (XINHUA)—The U.N. General Assembly today concluded the main part of the 47th session.

During the main part of the session, the Assembly has considered a wide variety of issues and has adopted more than 270 resolutions on major problems confronting the world.

The Assembly, during the general debate of the session which began on September 15, were addressed by a total

of 167 representatives of member states including 24 heads of state, 13 prime ministers and 103 foreign ministers.

The current session of the General Assembly, as its President Stoyan Ganev said in his concluding statement, has witnessed significant developments around the world.

Facing the historic challenge to become a functional world parliament on the basis of the U.N. Charter, the president said, the Assembly "must be empowered with mechanisms for implementing the decisions it takes."

He said that during his tenure as president he would review the membership structure of the Security Council and to engage in consultations with member states over what practical improvements can be made regarding the work of the Assembly.

General Assembly President Ganev on UN Issues

OW2412063492 Beijing XINHUA in English 2324
GMT 23 Dec 92

[Text] United Nations, December 23 (XINHUA)—U.N. General Assembly President Stoyan Ganev said today that restructuring the U.N. Security Council is too important an issue to be dealt with in a casual or hurried manner without due attention to the opinion of all parties concerned.

In an exclusive interview with XINHUA this afternoon, right after his announcement of the year-end recess of the General Assembly, Ganev also said that "whatever action is taken, it should be, first of all, in full conformity with the U.N. Charter, and secondly, a result of a thorough examination and in-depth discussion of all aspects of the matter."

Restructuring the Security Council was one of the issues member states were most concerned about during the current assembly session and a resolution on equitable representation on and increase in the membership of the Security Council was adopted on December 11.

According to the resolution, the General Assembly would request the secretary-general to invite member states to submit by next summer written comments on a possible review of the Security Council membership and the secretary-general would then submit a report to the Assembly for consideration at its 48th session.

"We have to weigh carefully all the available options and try to gauge their possible implications for the effective functioning of the United Nations," he said.

Ganev, 37-year-old foreign minister of Bulgaria, is the youngest General Assembly president in the U.N. history. During the interview, he also explained his views on the role of the General Assembly in the future, saying that for the Assembly to be an effective mechanism and not just a forum for making statements it must become a working body with the ability to implement its decisions.

"The way to really enhance the General Assembly's role," he said, "is by linking its activities with specific problems of the world diplomacy and with specific problems existing in the regions."

He said he had been personally involved in intensive consultations regarding the proposals contained in "an agenda for peace," a U.N. secretary-general report which set guidelines for undertaking preventive diplomacy, peacemaking and peace-keeping activities, and would remain active in exploring ways and means to promote the utilization of the General Assembly by member states in preempting and containing any potentially dangerous situation which might lead to international disputes.

"During my tenure as president," he added, "I intend to engage in consultations with many ambassadors and groups over what practical improvements can be instituted regarding the work of the General Assembly."

He said he was confident that "given the same spirit of cooperation that has characterized our deliberations over the past several months, we will succeed in fulfilling our objectives as we face the great amount of work that remains until the end of the session in September of 1993."

The president disclosed that he was currently planning an Asian trip early next year that would lead him to China, Japan and the Republic of Korea, in the capacity of the president of the U.N. General Assembly as well as the foreign minister of Bulgaria.

He said that China is a great country and China's experience in reform, which has provided the best economic solution, is very important to Bulgaria.

"During my visit to China," he added, "I will take and use the opportunity to try to improve the economic, political and cultural relations between Bulgaria and China, as well as the relations between China and the United Nations."

'Roundup' on UN Decisions, Direction

OW2412061792 Beijing XINHUA in English 2218
GMT 23 Dec 92

["Round-Up" feature by Liu Qizhong]

[Text] United Nations, December 23 (XINHUA)—With concerted efforts made by the international community over the past three months, the 47th United Nations General Assembly has made substantial progress on many issues mostly concerned by developing countries.

The current U.N. General Assembly adjourned its regular sessions today with nearly 150 items considered by this world organization.

During the general debate the Assembly again played a unique and positive role as an international forum, at which state leaders or foreign ministers from many

developing countries expounded their political positions and expressed their concerns about the cause of peace and development.

On December 28 the General Assembly adopted, without a vote, a resolution on "An Agenda for Peace," stressing the settlement of international disputes through such peaceful means as provided for in the U.N. Charter. The resolution also emphasized the principles of respect for state sovereignty, territorial integrity and political independence of member states, and called for attention to the need for strengthening the socio-economic development of the member states, as well as the need to complement "an agenda for peace" with "an agenda for development."

"An Agenda for Peace" is a document, prepared by U.N. Secretary-General Butrus Butrus Ghali at the request of the summit of the Security Council held last January, on ways of strengthening and making more efficient the capacity of the United Nations for preventive diplomacy, for peace-keeping and peace-building, as well as enhancing the role of regional organizations in peace-keeping.

In the socio-economic field, the Assembly today decided to establish a sustainable commission in charge of the follow-ups of the U.N. Conference on Environment and Development. The creation of the commission has provided important conditions for developing countries in obtaining additional resources and technology for environmental protection.

The General Assembly also adopted a number of significant resolutions on social development including the convening of a world summit on population and development in Cairo in 1994, a world summit for social development in Copenhagen in June 1995, and a world conference on women in Beijing in September of the same year.

It is worth noting that the question of the right to development has been included in the agenda of the world conference on human rights to be held in Vienna in 1993. Another resolution adopted at this assembly called on member states not to interfere in the internal affairs of other states, not to infringe upon other nations' sovereignty, and respect other nations' right to choose their own political, economic and social systems suitable to their respective national conditions.

What shocked the international community most was a resolution adopted by the Assembly on November 24, which called on the United States to put an end to the trade embargo it imposed on Cuba for 31 years. It is the first vote the U.N. General Assembly has ever taken on the item since the beginning of the embargo. The result of the vote was 59 in favor, three against and 71 abstentions. What's more, the fact that some Western powers, including Britain and Germany, opposed the U.S. act of imposing its own domestic law upon others must have impressed the superpower with added pressure.

In addition, in mid-November, Spain, Portugal, Mexico and other 18 Latin American nations submitted to the General Committee of the General Assembly an item, accusing the United States of violating international law last June by sending armed personnel to Mexico and bringing a Mexican citizen back to the United States for trial. After a heated debate the General Committee decided on November 24 to recommend the General Assembly to include the item in the agenda of the 48th Assembly, and the recommendation was approved by the Assembly the next day. This again went against the will of the United States, and made the superpower suffer another setback at this assembly.

In the field of disarmament, this Assembly endorsed the chemical weapons convention which, concluded in Geneva last September after more than 20 years of intensive negotiations, prohibited the development, production, stockpiling and use of all chemical weapons. With the convention open for signature next January, the destruction of all chemical weapons should be completed within ten years. If this goal is reached those who would benefit from it most would certainly be the developing nations who are most vulnerable to chemical weapon attacks.

The restructuring of the United Nations is another major issue concerned by developing countries. The resolution adopted on December 11 on the composition of the Security Council marked an obvious change in the examination of the issue. The item was first raised by more than 10 developing nations and included in the agenda of the 34th session in 1979. Out of various reasons its consideration was deferred year in and year out.

The resolution adopted this year requested member states to submit comments on the composition of the Security Council by the end of next June and invited the secretary-general to submit them to the 48th General Assembly for consideration. It is expected that the U.N. debate on this issue will surely be ever more intensive.

'Yearender' on Economic Growth Forecast for Asia

OW2712053792 Beijing XINHUA in English 0430 GMT 27 Dec 92

["Yearender" feature by Xiong Changyi]

[Text] Manila, December 27 (XINHUA)—While much of the world is in recession, Asia continues to experience rapid economic growth with strong exports and high domestic demand.

The Manila-based Asian Development Bank predicts the average economic growth for the region's developing countries will stand at 7 percent in 1992, up from 5.8 percent in 1991, and will climb to 7.5 percent in 1993.

In contrast, the world economy is projected by the International Monetary Fund (IMF) to grow by only 0.8

percent in 1992 and 2.3 percent in 1993 due to slow movement of the U.S. economy, the recession in Japan and Germany, and the turmoil in European currencies.

The economic growth in China is expected to reach over 12 percent in 1992, as a result of successful economic reforms and rising inflows of foreign direct investment. A "soft landing" of the economy is projected over the next two years, with growth rates of around 10 percent.

The region's newly industrializing economies are projected to achieve a growth rate of around 7 percent over the next two years. However, these economies will be increasingly constrained by labor shortages, high property costs and infrastructure bottlenecks.

In Southeast Asia, affected by the slowdown of the global economy, the growth is projected to decline slightly to around 4.7 percent in 1992, with some improvement expected in 1993.

South Asian countries, which were adversely affected by the Gulf war, will experience strong recovery. Their average growth rate is expected to rise from 2.5 percent in 1991 to around 4 percent in the next two years.

The economic development and prosperity in Asia has been based on increase trade liberalization and openness to foreign investment.

For three decades, trade liberalization has been the primary force driving world economic expansion. East Asia has been one of the main beneficiaries of the opening of global markets.

In a bid to spur its economic growth, Asia is attracting more than half the foreign direct investments heading to developing countries, according to the United Nations Development Program.

Asia's share of total foreign direct investments inflows for developing countries rose from 25 percent in the early 80s to over 50 percent in the early 1990s, surpassing Latin America which was traditionally the region taking most of the total flows.

For the past years, intra-regional trade has grown in Asia in a bid to help, to some extent, to mitigate the region's economies from declines in world trade and increasing protectionism.

As a response to the threats of protectionism from the EC's single market and the North American Free Trade Agreement, various regional cooperative schemes are therefore being considered.

Germany's Deutsche Bank says Asia will account for one third of world gross national product in 10 years, as compared to four percent in 1960. The result is that the world's economic center of gravity will pass to Asia.

Experts Discuss International Situation

HK2912030192 Beijing RENMIN RIBAO in Chinese
13 Dec 92 p 7

["Trends of International Academic Studies" column by staff reporters Li Hong (2621 4767) and Liu Aicheng (0491 1947 2052): "Experts and Academics Talk About Changes in the International Situation"]

[Text] In the first half of December, the China International Problems Research Center held a seminar in Beijing, during which more than 50 experts and academics in international issues under the auspices of Director Li Luye conducted heated discussions on the development of the international situation in the past year.

These experts and academics pointed out: The year 1992 is the first year after the Soviet disintegration and the end of the bipolar world structure. In the past year, the international situation has been turbulent, some contradictions and problems in the world have not been fundamentally resolved, and new contradictions and problems in some regions have become prominent. Ethnic contradictions, territorial disputes, and religious conflicts keep breaking out and have caused intense clashes in some regions. The economies of the former Soviet Union and most East European countries have continued to worsen, and the situations there are turbulent. Financial and monetary crises have come one after another in West Europe, new fascism is rising, and monumental racial riots occurred in the United States. All these indicate that factors causing unrest in the international situation are increasing.

This year the situation in the Asia-Pacific region has remained comparatively stable. On the Korean peninsula, North and South Korea have made breakthrough progress in realizing conciliation, the Cambodian issue is approaching a political solution, and Asia-Pacific countries have generally strengthened their relations. These experts said the main causes of these changes is the growth of the Asia-Pacific region's economy in a sustained and steady way and the comparatively balanced and stable state of all kinds of forces and their mutual statuses.

These experts pointed out: Internal problems in various Western countries are prominent, their economies are generally depressed, their debts are increasing, their unemployment rates are rising, and they are experiencing social unrest. Western countries' contradictions are increasing and their frictions are intensifying. This year, U.S.-European disputes over the European-Atlantic security structure and agricultural subsidies have kept occurring, and the Japanese-U.S. trade dispute is intensifying. Regional grouping has further developed. But, in the meantime, different countries' economic mutual reliance and mutual infiltration have become deeper, and Western countries need to coordinate with

each other on macro policies and world affairs. Therefore while carrying out cooperation, they are also competing and contending with each other. Because Western countries are generally having economic depression, their competition and contention are more prominent.

The contradictions between the South and the North are deteriorating. The impulse caused by the breakdown of the bipolar world pattern has added to the difficulties of many developing countries. Western countries having imposed harsher conditions on their aid, and economic crises in some countries have led to political unrest. South-South cooperation, particularly regional cooperation, has been strengthened and the Nonaligned Movement has changed for the better. But because there is a big disparity between South and North economic strength, the South still cannot confront the North.

Many of the experts said: Economics has become an issue of primary attention in various countries and has also become an issue of first importance in international relations. The fundamental cause of political instability in many countries is that they have not built their economies well and have overlooked the improvement of their people's standard of living. U.S. economic recession has caused Bush to lose the presidential election. Regional grouping focuses first on economic cooperation; in most cases, Western countries resort to economic means when exerting pressure on developing countries; and Western countries' contradictions mostly find expression in the economic field. Various countries are adjusting their economic policies and economic structures. The competition of comprehensive national strength and the formation of economic partnerships have become urgent tasks of various countries in the present-day world.

These experts pointed out: Although the world is still not tranquil, and hegemonism and power politics still exist, and there are still all sorts of unpredictable factors, peace and development are the main trend of the present world. The world is developing toward multipolarization, and opportunities and challenges exist simultaneously.

United States & Canada

Bill Clinton 'Hesitating' on Economic Issues

HK2812154092 Beijing XINHUA Hong Kong Service in Chinese 0308 GMT 28 Dec 92

[Roundup: "Clinton Cannot Make Up His Mind in Dealing With Economic Problems"]

[Text] Washington, 25 Dec (XINHUA)—Clinton said in his first televised speech after being elected U.S. President that he would concentrate his attention, like a "laser beam," on the search for a solution to domestic economic problems. However, what step should be taken to start the job is a difficult decision indeed for him.

Why is Clinton hesitating? The main reason is that he is afraid he cannot see the true picture of the U.S. economic trend. Since its extrication from economic recession in March 1991, the U.S. economy's recovery speed has been the slowest ever since the 1930's. What is more, this country experienced two economic stagnations in the autumn of 1991 and the spring of 1992, respectively. These were due to periodic factors, as well as to a series of other structural factors, such as the huge financial deficits, the heavy debt burden on enterprises and households, the massive layoff by enterprises with a view to increasing their competitive power, and the numerous difficulties facing the real estate and banking sectors. Since the third quarter, the economic pickup has shown signs of acceleration. It is predicted that the fourth quarter will see over 3 percent economic growth. However, because of many structural obstacles, the U.S. economy today will be developing in an intermittently stagnant manner. For the moment, the economy is "moving ahead," but nobody can guarantee that it will not "halt" again, as happened twice before. That is the very reason why Clinton has stated again and again that he would not finalize the new budget until the last minute.

Placed before Clinton are three choices: large-, medium-, and small-scale financial stimulus programs. Some economists strongly recommend a program to spend approximately \$120 billion within two years to stimulate economic growth, believing that this can accelerate the economic pickup. However, this program is dangerous because it will result in increasingly high financial deficits, thus leading to a rise in long-term interest rates, and eventually dampening economic growth. For the time being, Clinton does not want to take this risk. If the small-scale economic stimulus program is to be adopted, Clinton will be worried about the possibility that the current pickup momentum will vanish again. Of course, he does not want to take this risk either. Therefore, most analysts are expecting that Clinton will basically hold to the economic stimulus program he had proposed during the election campaign—namely, to allocate an additional \$20 billion as investments in public works and several billion dollars as vocational training funds; and to offer enterprises nearly \$10 billion in tax cuts. At the same time, Clinton will also present a "convincible" long-term financial deficit curtailment schedule, with a view to stabilizing the monetary market.

Many analysts argue that the power of the new budget that Clinton is going to present will be limited in terms of its effectiveness to stimulate the economy. The reasons are:

1. The unemployment rate will remain high. This is one of the major problems the U.S. economy is facing today. At the moment, the number of employees working in private enterprises still is 1.7 million lower than the highest figures before the latest economic recession. In the last two years, an additional 2.5 million people have entered the labor market. Meanwhile, those big enterprises which are undergoing structural readjustment are

still laying off their employees. Economists have estimated the U.S. unemployment rate for next year at about 7 percent.

2. Foreign trade conditions are deteriorating. Since the beginning of 1992, the United States has experienced an accelerating economic growth, while its major trade partners, namely, Canada, Japan, and West European countries, are generally in poor economic condition. Therefore, the United States' exports will decrease and its imports will increase. It is estimated that the United States' trade deficits will increase from \$65 billion last year to more than \$80 billion this year, and then further up to nearly \$100 billion next year.

3. The real estate sector has great difficulties. According to an estimate by the McGraw-Hill Company, since 1990, the U.S. commercial building industry has seen a 27 percent decline, and will see a further decline next year. The crisis facing the real property sector will continue to affect commercial banks' loan extending ability.

4. Growth in personal income has been slow. It is generally estimated that the growth margin of U.S. households' actual spendable income will be only about 2 percent next year. The slow growth in income will inevitably affect consumption. Nevertheless, private consumption accounts for two thirds of the U.S. GNP, and any change in private consumption is of great significance to the whole economy.

Therefore, U.S. economic research institutes have been using great caution in making economic forecasts. Most economists maintain that the United States' real economic growth will range between 2.5 and 3 percent next year. Of course, actual development will depend on the new budget to be presented by Clinton and how it will be treated by the Congress.

As a politician, Clinton, who is about to take over the White House, is well aware of the importance of the first step in face of uncertain economic prospects. He may lose the whole game and the outcome will be dreadful if he takes a wrong step. Therefore it is not surprising that Clinton is hesitating in taking this first crucial step.

Article Forecasts Stngthened U.S.-PRC Ties

HK2512102092 Hong Kong WEN WEI PO in Chinese
25 Dec 92 p 2

["Special article" dispatch from Washington on 24 December by Washington-based staff reporter Chu Hsing-fu (2612 1630 4395): "Sino-U.S. Relations Will Be Strengthened—Starting the Discussion From Clinton's Aides and Staff Responsible for Foreign Policy"]

[Text] Yesterday, U.S. President-elect Bill Clinton appointed Warren Christopher secretary of state and Anthony Lake adviser to the National Security Council. As Clinton lacks diplomatic experience and, moreover,

he will devote main energies to domestic issues, the fate of Sino-U.S. relations will be at the hands of the real power holders, Christopher and Lake.

Christopher was deputy secretary of state under President Jimmy Carter and participated in the decision-making process of normalization of Sino-U.S. relations. Lake was an assistant to Henry Kissinger, national security adviser under President Richard Nixon, and a senior adviser to Cyrus Vance, secretary of state under President Carter. Therefore, one point can basically be affirmed: Although the Democratic Party may possibly take a relatively uncompromising attitude toward China on issues such as human rights, it is highly unlikely that Christopher and Lake, chief executors of the foreign policy, hope for a crisis in Sino-U.S. relations or that relations will deteriorate.

Clinton's Recent Gestures

The question of whether Sino-U.S. relations become good or bad in the future will probably not become clear until around June 1993, partly because the nomination of Christopher and other officials will be discussed and approved by Congress next spring and the framework of the United States' China policy can be formulated only after the new cabinet members assume office and partly because the debate over the granting of the most-favored-nation [MFN] status to China will be settled also in June. Next spring, the new U.S. Congress will discuss the MFN status issue in trade with China. Before the end of May, Clinton will have decided whether conditions will be attached or not to the extension of the MFN status to China. In the past when the Republican Party was master of the White House and the Democratic Party monopolized Congress, one side said the extension should be unconditional and the other argued that it should be conditional. Consequently, the two sides were at loggerheads. Now that the White House is in the hands of the Democratic Party, Democratic congressmen should and must not put on a rival show against Clinton on the China issue.

During the campaign period, Clinton made one remark or another against China out of political considerations. Recently he clearly indicated: So long as China continues to make some efforts on such issues as human rights, there is no reason for the United States to discard MFN for China. Therefore, out of consideration of the two countries' common interests, the Clinton administration must strengthen and not weaken relations between the two countries.

It is highly unlikely that the Republican congressmen who in the past favored an unconditional extension of the MFN status to China will change their original intentions, because maintaining economic and trade ties with China will be conducive to their electoral districts and their reelection.

Pro-China People Are Not Rare Within the Democratic Party

In the Democratic Party there is no lack of congressmen who sympathize with and support China, but due to political reasons, they dared not openly stand out to uphold justice. A gratifying change has taken place in this state of affairs. David Boren of the Democratic Party, chairman of the Senate's Select Committee on Intelligence, had a deep impression of China's economic reform after his visit to China. After returning home, he sincerely advised Clinton and Congress: The U.S. adoption of uncompromising measures against China would be disastrous. If relations between the United States and China deteriorate, this will be a great danger to the U.S. economy, national security, and other aspects. This comparatively practical attitude of Boren's reflects that many Democrat Congressmen are changing their positions and minds.

In fact, Senator Boren is not alone in hoping that the United States will develop friendly and cooperative relations with China. Most American businessmen and experts in Chinese affairs have all along hoped that the United States will improve and develop its relations with China. They maintained: In the past one or two years, China has made considerable efforts and achieved gratifying results in such areas as human rights, minimizing the unfavorable balance of trade, and limiting the export of weapons. This being the case, they favored an unconditional extension of the MFN status to China. At the same time, they also hoped that China would continue efforts in this regard. This would enable them to justly and forcefully lobby the White House and Congress on an unconditional extension of MFN for China.

The United States Can Turn An Unfavorable Into A Favorable Balance of Trade Honestly speaking, very few countries have a completely perfect human rights situation. There is much to be desired in China's human rights condition, but the Chinese Government is trying to do what it can to improve conditions. Moreover, China is quite lenient in meting out penalties against the prodemocracy activists currently in custody. Some U.S. officials had to acknowledge this point. Some jailed prodemocracy activists have been released and some prominent prodemocracy figures have been allowed to lecture or do research in the United States. As far as the students and youths currently studying or living abroad who made wrong statements and acted wrongly during the 4 June event are concerned, so long as they do not engage in activities to overthrow the government, they are allowed to enter and exit China freely. The progress China made in the "human rights" issue is there for all to see.

On the issue of trade deficit between China and the United States, the Chinese Government is taking measures to reduce tariffs and open its markets wider. If the United States lifts the ban on exports of sophisticated science and technology, this will help greatly reduce the unfavorable balance of trade between China and the United States. If the United States takes concrete action

in supporting China's admission to the General Agreement of Tariffs and Trade next year, the unfavorable balance of trade between the two countries will be solved very quickly. According to the calculations of some U.S. economists, after China is admitted to GATT, if U.S. businessmen can seize the opportunity, the United States will be able to turn an unfavorable into a favorable balance of trade within three to five years.

On the issue of missile export control, China has now strictly kept the promise it made. In the first 10-day period of this month, the U.S. media quoted a White House source who asked his name not to be published as saying: Recently, China violated the agreement on the Missile Technology Control Regime and sold some M-II [Roman two] missiles to Pakistan. The news account said: China extended every effort to export weapons to gain foreign exchange before Clinton assumes office. A spokesman from the Chinese Ministry of Foreign Affairs has denied the story.

During the recent visit to Washington of a senior Chinese Government delegation, a senior U.S. Government official also mentioned the hearsay of Chinese sales of M-II missiles to Pakistan. An authoritative Chinese delegation member pointed out right away that it was a mere fabrication. He assured the United States that China had not exported any M-II missiles to Pakistan. The American side knew clearly that China did export some missiles to Pakistan in the past. However, they were all short-range missiles and were not "contraband goods." A Chinese official said: It is not necessary for China to observe regimes in which it has not participated or to which it has not agreed. As the Chinese Government has now promised, China will strictly observe international agreements.

George Bush Has Paved the Way

President Bush has recently lifted the ban on the transfer of some sophisticated science and technology to China, thus resuming the supply of some weapons and equipment to China. The ban on contacts between senior Chinese and U.S. officials has officially ended following the visit to China of Secretary of Commerce Barbara Franklin. Sino-U.S. relations are developing in a positive direction. All these efforts of outgoing President Bush have paved the way for the new Clinton administration to improve Sino-U.S. relations in the future. After Clinton takes office, it is estimated that some difficulties and conflicts may possibly crop up in Sino-U.S. relations in the short term, but from a long-term point of view, the economic and trade cooperative relations between the two countries have good prospects.

Northeast Asia

PRC, Japan To Engage in Joint Cement Venture

OW2512204192 Beijing XINHUA in English
1535 GMT 25 Dec 92

[Text] Nanjing, December 25 (XINHUA)—China and Japan will jointly build a large cement works on the bank of the Yangtze River.

The cement works, with the most advanced production lines, is designed to produce 4,000 tons a day. The whole project will cost 163 million U.S. dollars.

The cement works will be built by the Nanjing Changjiang Cement Works which will hold 43 percent of the shares, the Onoda Cement Co. Ltd. and the Mitsui Bussan Co. Ltd. of Japan which will hold 53 percent of the shares. The operational period will be 33 years.

The project is scheduled for completion by 1996 and most of the products will be exported.

The joint venture will also build a dock for shipping bulk cement.

Tian Jiyun Attends Ceremony

OW2812085592 Beijing XINHUA Domestic Service in Chinese 1218 GMT 24 Dec 92

[Excerpt] Beijing, 24 Dec (XINHUA)—A contract-signing ceremony for the Jiangnan-Onoda Cement Company—a Sino-Japanese joint venture—was held at Beijing's Diaoyutai Guesthouse today, with Vice Premier Tian Jiyun, acting Japanese Ambassador Kouichi Matsumoto, and others in attendance.

The company, jointly invested in by the China Raw Materials and Investment Company, the China Nanjing Changjiang Cement (Group) Company, Japan's Onoda Cement Company, and Japan's Mitsui Company, is an advanced, large-scale cement plant located in Nanjing. The company has a total investment of \$163.55 million, with a registered capital of \$54.52 million: 25 percent of which is invested in by the China Raw Materials and Investment Company; 18 percent by the Nanjing Changjiang Cement (Group) Company; 45 percent by the Onoda Cement Company; and 12 percent by the Mitsui Company. [passage omitted]

'Yearender' on 'Sluggish' Japanese Economy

OW2812102992 Beijing XINHUA in English 1012 GMT 28 Dec 92

["Yearender": "Japan's Economy Continues To Slide in 1992"]

[Text] Tokyo, December 26 (XINHUA)—1992 has been another sluggish year for Japan's economy, which has continued to suffer from slow growth.

The real growth rate of this year will be well below the government's 3.5 percent target. Last year it was 4.5 percent. The rates for previous few years, however, had been above 5 percent.

Statistics show that Japan's inflation-adjusted economy grew 4.4 percent in the first quarter of this year, 1.1 percent in the second, but minus 1.6 percent in the third.

Nobody can tell yet how much it will grow in the last three months, but one thing is certain—the government 3.5 percent target for real economic growth in the current

fiscal year "now seems out of reach," as Prime Minister Kiichi Miyazawa was quoted as saying in the Diet (parliament) recently.

Government officials still hope for 2.5 percent for the year, while the Paris-based Organization for Economic Cooperation and Development (OECD) puts it at 1.5 percent.

Most economists at research institutions tend to go along with the OECD forecast for this year, and predict a 2.5 percent rise for the coming year, provided that the government implements additional financial and monetary measures.

Meanwhile, the OECD has projected the rate to be 2.3 percent for 1993, but Japanese Government officials contend that the OECD has underestimated the effects of the 10.7 trillion yen (about 86 billion U.S. dollars) economic stimulus package announced last August.

The official projection for the coming year is believed to be around 3.3 percent.

That figure is considered high by the 24-member OECD, which has anticipated an average growth rate of 1.9 percent for next year. But it is below the government target of 3.5 percent target set for 1991-1995.

To many private economists, 3.3 percent looks too rosy in view of the current business downturn, which began in 1991 after the overheated "bubble economy" burst.

The slump has severely hurt the nation's industry and services as well.

Some economists have likened the present plight of business to the recessions wrought by the oil crisis in the 1970s and the steep appreciation of the Japanese yen in the 1980s.

Falling corporate investment for plant and equipment saps the vigor of growth. Statistics to the end of September show that investment in this sector has been declining in the past 18 months.

The estimated drop for 1992 and 1993 is somewhere around 3 and 1 percent respectively, largely due to poor corporate profit and excessive production capacity built over the boom years.

Flabby consumer spending is another factor contributing to the weak economic performance. During the past two years, average Japanese disposable income dwindled as companies cut their overtime work hours and annual wage increases.

Masao Yokomizo, vice-chairman of the Nikko Research Institute, estimates that the nation's average wage rise will be 4.9 percent in 1992 and that it will drop to 3.7 percent next year, well below the average in the 1980s.

Private consumer spending, totaling more than 260 trillion yen this year, is up only 1.3 percent, which is way down from the level of a few years ago.

Corporate investment and consumer spending are equal to over 80 percent of the gross national product (GNP), the total value of all goods and services produced.

The economy remains in the doldrums when the two sectors become lethargic.

Moreover, the fragile banking industry cannot help boost the economy. The mid-term profit of all major banks by September had dropped 37 percent on average and their latent earnings from stock holdings had plunged 50 percent, compared with the figures for the same period last year.

The credit ratings of these banks have been downgraded both at home and abroad. Today, there is no triple-A-rated commercial bank in Japan.

Thus, the banks are cautious about issuing new loans. Government officials note that, while Japan's monthly money supply hovered around 12 to 13 percent on average in past decades, now it is less than 1 percent.

Economists believe that the recovery of the Japanese economy from the recession will be a slow process.

'News Analysis' on ROK Presidential Election

HK2512150892 Beijing RENMIN RIBAO in Chinese
22 Dec 92 p 6

[“News Analysis” by Xu Baokang (1776 1405 1660): “Kim Yong-sam’s Election to Presidency and His Policy-Related Stances”]

[Text] The results of the 14th presidential election in the ROK [Republic of Korea] was published on the 19th. Kim Yong-sam, who garnered 42 percent of the votes, was elected president.

The current presidential election in the ROK was the second one since 1987 in which the citizens directly elected their president. At a news conference, Kim Yong-sam said that he would carry out an extensive reform to usher in a new era of civil service politics.

There are many reasons why Kim Yong-sam, who was born in a fisherman’s family, beat his rivals in the election. With the cold war coming to a close, the ROK’s internal and external environments have undergone a tremendous change. How to readjust domestic and foreign policies is a problem concerning the voters. Since the ROK is carrying out economic readjustment, many voters hoped that the principle of letting stability come first would be followed. The theory of a “new ROK” and the slogan of “carrying out reforms while maintaining stability” advanced by Kim Yong-sam in the election campaign were appreciated by the majority of voters. In addition, voters’ feelings for the candidate from their region played a vital part in the election. Both Kim Yong-sam or Kim Tae-chung defeated their rivals by overwhelming majorities in their own regions, but voters in the former’s outnumbered those in the latter’s by 1.5

million. It was believed that this was one of the reasons for Kim Yong-sam’s victory.

In the last 20 years or so, the ROK’s economy grew at a average rate of over 9 percent. In the last two years, however, the ROK has met with formidable challenges in striving for economic growth: exports declined, inflation worsened, and the trade deficit increased to a record high of \$9.6 billion last year. This year, the government introduced a money-tightening policy and stepped up economic readjustment. Though it succeeded in curbing inflation and reducing the trade deficit to \$5 billion, it paid a price: the economic growth rate declined from 8.4 percent in 1991 to 5 percent in 1992. The ROK sees a lower economic growth rate in 1992 than in other years following the ranking of itself as one of Asia’s “four little dragons.” People from all social strata in the ROK maintained that the ROK was under a pincer attack in the worldwide economic war while the spirit of working hard to make progress displayed in those years of laying a foundation for the Republic disappeared continuously. This resulted from the government paying attention to economic growth to the neglect of the necessity of reinforcing social culture and ethics. Most people in the ROK are disgusted with political disturbance. They are of the opinion that the country must, in the face of the new challenge, face up to difficulties, eliminate “draw-backs,” and seek ways in which the ROK can continuously promote economic development.

In a sense, the economic readjustment being carried out by the ROK Government and the popular desire for stability and reform constituted an objective favorable condition for Kim Yong-sam to win the election. His theory of a “new ROK,” his slogan of “carrying out reforms while maintaining stability,” and his propositions to set up “an honest and powerful government,” to crack down on corruption, to carry out reforms, and to develop science and technology, to vigorously transform the industrial structure, and to regard supporting medium and small enterprises as the core of the economic policy, were supported by voters.

Regarding foreign policy, Kim Yong-sam advocated developing relations with other countries in the world, further strengthening friendly relations with neighboring countries, actively taking part in the activities to build up a new international order, and maintaining and developing traditional relations with the United States and Japan.

President-elect Kim Yong-sam will be formally sworn in on 25 February 1993. Observers here believe that when Kim Yong-sam becomes master of the Blue House [presidential residency], he will have three major tasks to fulfill: one, putting the country in order “through management rather than through wielding power”; two, holding economic decline in check and reducing the trade deficit; and, three, leading the people to step up economic readjustment and development in the face of the new challenge.

Southeast Asia & Pacific

Envoy Urges Restraint to Cambodian Factions

OW2912040492 Beijing XINHUA in English 0344
GMT 29 Dec 92

[Text] Phnom Penh, December 29 (XINHUA)—Chinese representative to the Supreme National Council of Cambodia, Fu Xuezhong, urged on Monday [28 December] the four Cambodian factions to exercise military restraint to implement the Paris peace accord so as to resume peace in their country.

Fu was speaking at a dinner party at the Chinese representative office.

Present at the party were president of U.N. Transitional Authority in Cambodia, Yasushi Akashi, and the representatives of the four other U.N. Security Council permanent member countries in Cambodia as well as some senior officials from the four Cambodian factions.

Speaking at the party, Akashi said the U.N. office in Cambodia will make great efforts to carry out the peace process in the country.

Bank of China's Singapore Branch Reports Profits

OW2712095692 Beijing XINHUA in English 0923
GMT 27 Dec 92

[Text] Singapore, December 27 (XINHUA)—Bank of China (BOC) Singapore branch's profit increased to 27 million U.S. dollars before tax in the first 10 months of 1992.

This was released by Zhou Zhigong, general manager of BOC Singapore branch at an interview with XINHUA here today.

The Singapore branch of BOC is already 56 years old. There is one branch and three sub-branches in the island.

The deposit of Asia-U.S.-dollar [as received] increased 17 percent, compared with the same period in 1991, while the Asia-U.S.-dollar loans to local businessmen who invest in China and loans to set up factories increased 112 percent.

Zhou noted that his branch had encouraged Singapore investors to invest in China.

The trade and economic cooperation between China and Singapore is expected to enjoy good prospects. Zhou said BOC Singapore branch would like to play its role in promoting mutual trade and economic cooperation.

'Yearender' on Trade Prospects With Singapore

OW2412064892 Beijing XINHUA in English 0637
GMT 24 Dec 92

["Yearender" feature]

[Text] Singapore, December 24 (XINHUA)—More and more Singapore businessmen are encouraged by their government to go to seek more opportunities in Asia-Pacific countries, among which China is one of their best choice after the two countries established diplomatic relations on October 1, 1990.

Showing confidence on the future of China's economy, senior Minister Lee Kuan Yew said in an interview with XINHUA on August 25, "once the remaining changes to a free market economy have been made, China's growth will increase rapidly.

In 1992 alone, investments by Singapore companies in China have exceeded the total amount of 8.96 billion U.S. dollars invested over the past 13 years.

According to the latest statistics provided by the Chinese Government, investment commitments for 421 projects signed by Singapore investors in the first nine months of 1992 amounted to 490 million U.S. dollars, while actual investments over the period totaled 83 million U.S. dollars.

More investment contracts were signed after September. A new joint venture, Singapore Pacific Management Services Pte Ltd, has decided to develop a huge 5,000-hectare coastal industrial park in Fujian Province, southeast China, with a 130 million U.S. dollar investment in the first stage.

Among the large investments are a 4 million U.S. dollar investment in Guangxi Zhuang Autonomous Region, south China, to develop petroleum products, an about 150 million U.S. dollar investment to develop a commercial street in Shenyang city of Liaoning Province, northeast China, and a 40 million U.S. dollar investment to develop a holiday resort and a golf course in Yunnan Province, southwest China.

Moreover, direct trade between China and Singapore has increased rapidly and exports from China to Singapore are shifting away from crude oil and lower petroleum products to manufactured goods.

As trade relations between China and Malaysia and Indonesia were restored, the function of Singapore as a transshipment port has been declining. However, there has been a steady increase in two-way trade in recent years.

In the first 10 months of the year, trade between the two countries reached 4.4 billion Singapore dollars (2.72 billion U.S. dollars). It is expected to surpass the total trade of 5.3 billion Singapore dollars (3.27 billion U.S. dollars) last year.

Chinese companies, including high-tech companies, have also entered into the Singapore market. There are a total of 71 Chinese representative offices, capital companies and joint ventures in Singapore.

Now, another 18 companies are in the process of being registered here. It is expected that more Chinese companies will come here next year.

Singapore investors have found a lot of opportunities in China and invested in all of its provinces and autonomous regions except Tibet and Xinjian in 1992.

Now, Singaporeans are telling each other, "whoever wants to be rich, go to China."

Officials Host Australian, New Zealand Guests

*OW1912005892 Beijing XINHUA in English 1501
GMT 18 Dec 92*

[Text] Beijing, December 18 (XINHUA)—Some 200 government officials, diplomats and artists from China, Australia and New Zealand got together here this evening to celebrate the 20th anniversary of the establishment of Sino-Australian and Sino-New Zealand diplomatic ties.

Peng Chong, vice-chairman of the Standing Committee of the Chinese National People's Congress, John Robertson, visiting chairman of the Foreign Affairs and Defense Committee of the New Zealand Parliament, as well as Australian and New Zealand ambassadors were among those present.

In their speeches, Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), Robertson and Australian Ambassador to China Michael D. Lightowler all expressed the belief that the ties would be further developed in the years to come.

Near East & South Asia

Israeli President Herzog Visits Shanghai 28 Dec

*OW2812194592 Beijing XINHUA in English 1616
GMT 28 Dec 92*

[Text] Shanghai, December 28 (XINHUA)—Visiting Israeli President Chaim Herzog spent his second day in Shanghai touring the newly-completed 8,000 meter-long Nanpu suspension bridge, industrial enterprises and went sight-seeing on the Huangpu River.

He arrived in China on December 24 for a week-long official visit at the invitation of President Yang Shangkun.

During the afternoon Herzog met with local reporters at his hotel. He briefed them on the Israeli economy, culture and social development and said he hoped more Shanghai citizens would visit his country.

Herzog and his party spent the evening at the Shanghai Conservatory of Music which staged a performance in his honor.

Han Shubin, chairman of the Chinese Government Reception Committee and minister of railways, and Shanghai's vice-mayor, Xu Kuangdi, escorted Herzog and his party.

CPPCC's Zhao Puchu Meets Iranian Guest

*OW2912121392 Beijing XINHUA in English 1200
GMT 29 Dec 92*

[Text] Beijing, December 29 (XINHUA)—Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met here today with a delegation of friendly personages from Mashhad city of Iran.

The delegation is headed by Abbas Amiri Poor [name as received], mayor of Mashhad.

The visitors arrived here on December 21 as guests of the Chinese Association for International Understanding.

Visiting Bangladesh Minister Invites Investment

*BK2612145292 Dhaka Radio Bangladesh Network in
Bengali 1230 GMT 26 Dec 92*

[Text] Industrial entrepreneurs and general traders of China's Guangdong Province have expressed their willingness to come for joint ventures, particularly in the fields of urea fertilizer and leather goods, with suitable Bangladesh counterparts to establish industries in Bangladesh. Commerce Minister M.K. Anwar gave a detailed picture of the facilities being given to foreign investors in Bangladesh and called upon the Chinese entrepreneurs to take advantage of these facilities with a view to establishing equitable trade relations between Bangladesh and China. M.K. Anwar is now in Guangzhou on the last leg of his visit to China.

Barter Trade With Bangladesh To End in 1993

*OW2712095792 Beijing XINHUA in English 0923
GMT 27 Dec 92*

[Text] Dhaka, December 27 (XINHUA)—China's exports to Bangladesh amounted to 1.41 billion U.S. dollars in the 17 years till 1991, and only about 300 million dollars under barter.

During this period, China imported goods worth only 55 million U.S. dollars under free trade and 272 million U.S. dollars under barter.

Bangladesh and China have entered into the fifth trade agreement for a period of three years from January 1993. The two sides have mutually agreed to end the barter trade system at the end of 1992.

Officials Mark Nepalese King's Birthday in Tibet

OW2912093492 Beijing XINHUA in English 0858
GMT 29 Dec 92

[Text] Lhasa, December 29 (XINHUA)—The 48th birthday of Nepalese King Birendra Bir Bikram Shah Dev was celebrated at a banquet hosted by the acting Nepalese consul-general, Adhikari [name and title as received], here Monday [28 December] evening.

Officials from the various departments of the Tibetan Autonomous Regional Government attended the banquet sponsored by the Nepalese General Consulate.

Adhikari, proposing a toast, recalled the traditional friendly contacts between the two countries, saying that Nepal-China ties have withstood the test of times.

Wang Zhidong, deputy director of the Foreign Affairs Office of the local government, said the China's central government has always supported Tibet's friendly cooperation with nepal in the economic, cultural and other fields, which has been increasing all the time.

West Europe

Guangzhou To End French Cooperation on Project

HK2912092092 Hong Kong WEN WEI PO in Chinese
29 Dec 92 p 2

[Dispatch from Guangzhou by staff reporter Tan Tanhui (6223 0030 1979): "Mayor Li Ziliu Says Guangzhou Has Received the Order To Halt Cooperation With French Investors in the Subway Project"]

[Text] Guangzhou, 28 Dec (WEN WEI PO)—Guangzhou Mayor Li Ziliu told our staff reporter here today that because the French Government approved Dassault's sale of Mirage fighters to Taiwan, Guangzhou city will, by order, halt cooperation with France in the construction of the Guangzhou underground railway, which will not greatly affect this project's progress.

It has been learned that many-faceted friendly cooperation with France was obtained in the planning and feasibility study for the Guangzhou underground railway project and that quite a few French companies showed great interest in participating in the project's investment and construction. While visiting France at the beginning of 1992, Mayor Li said that Guangzhou will give preference to French companies in its choice of partners if the terms are otherwise the same.

Mayor Li pointed out: In view of today's situation, we must safeguard our national dignity and consider our national interests first. Guangzhou city will halt cooperation with France, which means a number of actions, including canceling the previous plan to purchase key equipment and trains and to raise loans from France, and revoking the eligibility of French companies for participating in the bidding for the underground railway

project. Li Ziliu said: Though the construction of Guangzhou underground railway will be affected by this to some extent, the overall impact will not be too great. We have prepared ourselves in many ways. So far, over 30 countries and regions have enthusiastically expressed interest in participating in the development of the Guangzhou underground railway. These countries include the UK, Germany, Italy, the United States, Japan, and the Republic of Korea. It is perfectly possible for Guangzhou to find a partner and make sure that both parties benefit. Li Ziliu emphatically pointed out: No matter how the international political climate will change, the construction of the Guangzhou underground railway must begin by the end of next year and must be completed by the end of 1998.

Information from another source says: Guangzhou City Underground Railway Corporation [GCURC] held a solemn founding ceremony in the China Hotel here today, marking move of the construction of the Guangzhou underground railway from the preparatory stage to the execution stage.

GCURC is an enterprise under the direct leadership of the city government and the city underground railway project command (Mayor Li Ziliu being the general director). Specifically speaking, it is responsible for organizing and executing the management over the construction and operation of such urban rapid-transit rail transports as the Guangzhou City underground railway and light rail. It also takes charge of the development and management of the property along the underground railway line.

The Guangzhou underground railway project was listed in April 1989 as a decision of the city government. Its first-phase project, i.e., the construction of the No. 1 line, was listed by the official ratification of the State Planning Commission per consent of the State Council in November 1990. The feasibility study report for this project formally passed state-level appraisal in February 1991. The No. 1 line of the Guangzhou underground railway is to run from Guangzhou Iron and Steel Works in the west to Guangzhou Station East in Tianhe District in the eastern part of Guangzhou, covering a full length of 18.1 km with 16 stations. The total investment of the project is close to 6 billion yuan, part of which will be foreign capital. This is Guangzhou city's all-time biggest project. Its construction will bring about enormous social benefits [she hui xiao yi 4357 2585 2400 4135] and economic returns in lessening traffic congestion in Guangzhou City, speeding up the transformation of the old urban area, improving the environment for investment, and promoting economic development.

Li Ziliu said that the No. 1 line project of Guangzhou's underground railway construction faces four problems: First, the dismantling and resettling will affect an extensive part of the population, and much work has to be done in persuasion and resettlement. Second, large funds, totalling 6 billion yuan, must be raised, and 1 billion yuan must be used next year. Third, caution has

to be exercised in raising foreign capital. The funds from 13 countries which have applied must be carefully examined and verified, and those offered at more attractive

terms are to be accepted. Fourth, the project is quite difficult and the inexperienced city government departments concerned must face a grim test.

Political & Social

Transition to 'Collective Leadership' Rule Seen

HK2912010892 Hong Kong SOUTH CHINA
MORNING POST in English 29 Dec 92 p 12

[Article by Willy Wo-lap Lam]

[Text] Top-level cadres of the Chinese Communist Party have quietly made the transition to a rule by collective leadership, according to political analysts in Beijing. It is understood that patriarch Mr Deng Xiaoping hopes the Standing Committee of the supreme politburo will take over the reins of governing when he finally leaves the scene.

This is in spite of the fact that party General Secretary Mr Jiang Zemin, who is also head of the Army, has been designated the "core" of the leadership. On three occasions in the past fortnight, all seven members of the Standing Committee have made joint appearances.

On Sunday, the seven heavyweight politicians met experts from the space industry responsible for the launch of the communications satellite last week. The technicians and staff were given a bonus of US\$22 (HK\$170) a month as well as a 20 percent increase in their salary. Last week, all seven politburo Standing Committee members met participants in a national conference on security and judicial work. And on December 11, they presented special awards to representatives of young scientists and entrepreneurs.

Chinese sources said the 88-year-old Mr Deng, who had recently gone to central China and might spend the Lunar New Year in Shanghai, was well aware of the problems that might arise after his death. The sources said Mr Jiang had in theory been designated "first-among-equals" within the collective leadership. However, they said, since he lacked a track record of achievements, the party chief was vulnerable to challenges posed by fellow politburo members Mr Zhu Rongji, Mr Qiao Shi, and General Liu Huaqing.

Amendment to State Constitution Anticipated

HK2912122192 Beijing ZHONGGUO XINWEN SHE
in Chinese 0609 GMT 15 Dec 92

["Roundup" by reporter Tang Dianwei (0781 0368 0251): "A Plan To 'Amend China's Constitution' Is Under Deliberation"]

[Text] Beijing, 15 Dec (ZHONGGUO XINWEN SHE)—China's existing Constitution has been in force for 10 years. Undoubtedly, the Constitution, which was drafted and adopted in the historical period when China wound up the "decade-long turbulence" and brought order out of chaos, played an important part in promoting China's reform and opening up.

However, since a profound change has taken place in China's social reality over the last 10 years, especially

since the 14th CPC National Congress decided to move from a planned economy to a socialist market economy, the Constitution should be amended in line with actual conditions, since some contents of the Constitution are apparently "outdated" or inadequate.

A few days ago the People's University of China invited law experts from the country and abroad to discuss the Constitution and democracy. This large-scale international seminar on constitutional matters was the first of its kind in China. The fact that Lei Jieqiong, vice chairwoman of the National People's Congress [NPC] Standing Committee, and Zou Yi, vice chairman of the NPC Internal and Judicial Affairs Committee, attended the seminar adequately showed that China's legislative organ attached importance to the seminar.

No participants took exception to "an amendment to the Constitution." This means most people in legal circles maintain that the Constitution should be amended.

However, the participants were divided over ways to amend the Constitution.

Some people maintained the Constitution should be "amended thoroughly" or "drafted all over again" in a bid to make a breakthrough in formulating legislation with respect to the economic system. It is estimated that the authorities concerned will not give their consent to this proposal, because it means a huge project.

Some people believed the Constitution should be "amended moderately." This means the NPC should pass a constitutional amendment so that the contents of the existing Constitution that do not suit present needs will be amended. Of all amendments, the following are of greater importance: The building of the system of a socialist market economy should be written into the Constitution, while the statute on "practicing a planned economy in the country" should be scrapped; the term "state-run enterprises" should be changed into "state-owned enterprises" to show "separation of the functions of the government from those of the enterprise"; the Constitution should protect the power of enterprises to operate on their own and ensure that various economic sectors compete on an equal footing; the article in the existing Constitution that allows state-owned enterprises to enjoy greater support from the state should be amended; the theories on the initial stage of socialism and on building socialism with Chinese characteristics should be narrated in the foreword of the Constitution; and the stipulation about the state's fundamental tasks should be improved in accordance with the CPC Central Committee's basic line for the initial stage of socialism. Some scholars maintained that the articles on functions and powers of state organs and on citizens' rights and duties should be amended to suit the changed situation. As this proposal to make a moderate amendment will involve simpler procedures and there are previous examples to follow, it will possibly be accepted by the legislative organ.

Other people maintained that the Constitution only needs a "minor amendment." This simply means keeping the Constitution intact. What should be done, according to their opinion, is that the NPC Standing Committee should give new constitutional explanations [xian fa jie shi 2009 3127 6043 6847] of certain articles of the Constitution. But China has never adopted such a means as constitutional explanations.

Some scholars were of the opinion: Repeated amendments of the Constitution will affect its authority. A Constitution is not an encyclopedia nor is it a document on policies. Therefore, making a constitutional amendment should proceed in the following two directions: First, the foreword and general principles of the Constitution should be made more generalized and principled; and second, functions and powers of state organs should be defined in a more explicit, more specific, and systematic way.

The Constitution, of course, should be amended in a timely way as society changes; otherwise, it will become a stumbling block to social development. China made a timely constitutional amendment in April 1988. The original Article 2, saying that no unlawful transfer of land is permitted, was amended to the effect that "the land-use right can be transferred according to law." The sentence that "the state allows the private economy to exist and develop within the framework of the law" was added to Article 11. The 1988 constitutional amendment proved very successful because it greatly promoted the development of productive forces.

It is estimated that the Eighth NPC, to be held in the spring next year, will hopefully discuss the problem concerning a constitutional amendment if theoretical circles make an urgent call for it.

Article Views Revision of Party Constitution

HK2412055092 Beijing GUANGMING RIBAO in Chinese 16 Nov 92 p 3

[Article by Wang Lanming (3769 3482 2494), Cai Changshui (5591 7022 3055), and Yu Yunyao (5713 0061 5069), originally published in issue 12 of DAN-GJIAN [PARTY BUILDING]: "Highest Standard of Party Building and Party Work—A Briefing on the Basic Situation of the 14th Party Congress' Revision of the Party Constitution"]

[Text] The party constitution revised and adopted by the 14th party congress reflects our party's new understanding of the laws governing socialist construction and sets forth the party's plan of attack in the new period. Making new and realistic stipulations for party building and work, it is the guide for action and the standard of work for the entire party for a period of time in the future. As long as the party constitution revised by the 14th party congress is followed in earnest, we will be able to continuously win victories in the cause of building socialism with Chinese characteristics and constantly enhance and develop party building in the course of

reform, opening up, and the modernization program. To increase understanding of the party constitution of the 14th party congress, we would like to give a brief introduction to the revision of the party constitution at the 14th party congress.

Why Was It Necessary for the 14th Party Congress To Revise the Party Constitution?

The 12th party congress constitution was adopted in September 1982. The 13th party congress, held in November 1987, revised some of the articles of the 12th party congress constitution. The 12th party congress constitution was one of the best constitutions in the party's history, as it eliminated the "leftist" mistakes in the 11th party congress constitution, inherited and developed the advantages of the seventh and eighth party congresses, and systematically summarized party building and experience in history and reflected the party's requirements in actual life. Practice over the past decade since the 12th party congress has proven that the party's nature, fighting objective, guiding ideology, organizational principle, and other basic contents as well as the provisions on party work and inner-party life prescribed in the 12th party congress constitution were all correct. They are still applicable at present and will be for a period of time in the future. Why, then, was it necessary for the 14th party congress to revise the constitution?

First, it was necessary to include the party's theory of building socialism with Chinese characteristics and its latest understanding of the socialist modernization program in the party constitution. It is the staunch faith and direction of our party's struggle to uphold socialism. After fulfilling the tasks of the new democratic revolution, our party leaders rapidly restored the national economy, carried out socialist transformation, and successfully established the socialist system. The establishment of the socialist system opened up an unlimited wide road for development of the productive forces. Due to a lack of experience and mistakes in work, however, in the 20 years from the latter half of 1957 to 1978, China closed itself to the outside world and took class struggle as the key link. The country's development was slow and even came to a standstill. How to build socialism in China, a large country in the east that is economically and culturally backward, was a question pondered and explored by the Chinese communists, represented by Comrade Deng Xiaoping following the downfall of the "Gang of Four." Comrade Deng Xiaoping integrated basic Marxist tenets with the reality of China's socialist modernization program, led the entire party in emancipating the mind, seeking truth from facts, and setting things right, and resolutely shifted the focus of party and state work onto economic construction and the modernization program. From then on, China's socialist construction was travelling on the healthy path. Beginning with the 11th CPC Central Committee's Third Plenary Session and through the 12th and 13th party congresses, our party constantly forged ahead and summed up experience in leading the people of the entire country in

building socialism, which gradually developed to form the theory of building socialism with Chinese characteristics. The following theories and viewpoints of the party represent a new leap in the party's scientific understanding of socialism and indicate that the party's exploration of the laws governing socialist construction has entered a new stage: China is still at the initial socialist stage. Taking the Chinese-style socialist road by proceeding from China's reality. The main contradiction in socialist society is one between the people's increasing material and cultural needs and backward social production. The fundamental task of socialism is to emancipate and develop the productive forces. Always take economic construction as the central task. Upholding the four cardinal principles and reform and opening up are the only way to emancipate and develop the productive forces and maintain the general principles of socialist construction. Establishing a socialist market economic system. Socialist democratic politics and socialist spiritual civilization are the essential characteristics of socialism. Continuously doing two kinds of work simultaneously. Fulfilling the great cause of reunification of the motherland with the "one country, two systems" concept. Pursuing an independent and peaceful foreign policy.

These viewpoints and expositions give a preliminary answer to the development stage, development road, fundamental tasks, development motivity, external conditions, political guarantee, strategic objective, and international environment of China's socialist construction. They also pave the scientific road for us to move forward and outline the theory of socialism with Chinese characteristics. This is an extremely valuable theoretical summary of our party's work in leading the people of the whole country in carrying out socialist construction since the 11th CPC Central Committee's Third Plenary Session. It is the application and development of Marxism in China, the most cherished spiritual wealth of the CPC and the Chinese people, and the banner and beacon guiding our progress along the road of building socialism with Chinese characteristics. It will be of great and far-reaching significance to promoting reform, opening up, and the socialist modernization program to include the theory of building socialism with Chinese characteristics in the party constitution, to regard it as the party's program, to ensure its authority, seriousness, and stability for a long time to come, and to apply it to unify and guide the thinking and action of the whole party and standardize the work and activities of party organizations and the behavior of party members.

Second, the new problems that have cropped up in party building and work should be standardized in the party constitution. With the deepening of reform and opening up and economic development, new circumstances and problems have appeared in the party leadership. Historical conditions have changed and so has the social environment. Hence, how to lead the people to continuously advance along the road of socialism with Chinese characteristics is a new topic for the whole party. At a

time when all our work is focused on economic construction, concentrating leadership on economic construction while not getting involved in the concrete business of economic work has always been a question explored by the party. The deepening of the socialist modernization program requires a corresponding change or improvement in the means and method of party leadership. To strengthen and improve party leadership, it is necessary to make principled stipulations in the party constitution in light of the available experience so that they can be implemented by the whole party and can provide the grounds for further exploring these problems. Meanwhile, the new situation and tasks have also set forth many new requirements for party organizations, party members, and cadres. As a number of new problems have cropped up in the party organizations—the grass roots-level organizations in particular—it is necessary for the party constitution to make new provisions regarding these problems. The circumstances and structures of enterprises, rural areas, institutions, and offices vary. To ensure that the grass roots-level party organizations of these units can carry out work accordingly, it is necessary to make specific stipulations on the functions of the party organizations at the grass roots levels of different units. In addition, reform, opening up, and the modernization program have set forth many new requirements for party members and cadres, which involve an appropriate change in the obligations of party members and conditions of cadres aimed at meeting the current needs of the party's work and tasks.

Third, some provisions in the party constitution must be revised, supplemented, and improved. The 12th party congress constitution is a good one, and its basic provisions are applicable for the present and the future. Nevertheless, a decade has elapsed, and the revision and supplement of some of the provisions will be absolutely necessary to make them more practicable. As the situation has developed and conditions have changed, some provisions of the party constitution that were correct at the time of promulgation may no longer be applicable, and these should be removed or replaced by new ones. After 10 years of practice, some provisions must be partially altered to make them perfect. With the passage of time, there are also some provisions that need to be supplemented with new contents to make them more scientific and practicable. Thus it can be seen that the revision of the party constitution at the 14th party congress was absolutely necessary.

The 14th Party Congress' Guiding Ideology and Basic Principles for Revising the Party Constitution

The guiding ideology of the 14th party congress for revision of the party constitution is: Sum up the new experience of the socialist modernization program and party building since the 12th party congress, include Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line and principles and policies in the party constitution, set forth realistic new requirements for party work and building, and build the party into a firm core that can

lead the people of the entire country in continuously advancing along the road of socialism with Chinese characteristics. In light of this guiding ideology, the 14th party congress insisted on the following principles in revising the constitution:

First, give prominence to the party's basic line and the theory of building socialism with Chinese characteristics. The 14th party congress constitution regarded adding the contents of building socialism with Chinese characteristics as the focus of the revision. In the preamble, there are general and systematic expositions on the theory of building socialism with Chinese characteristics from the angle of the shaping the theory, initial stage, basic national conditions and characteristics, construction path, main contradictions, fundamental tasks, basic economic system, starting point and criterion of work, economic development strategy, basic line, building of spiritual civilization, building of democratic legal system, national issue, united front, and international affairs. In the articles, it has also been considered the main line and has been fully embodied. While giving prominence to the theory of building socialism with Chinese characteristics, the emphasis has been put on the party's basic line. The party's basic line is the basic content and proposition of the party's building of socialism with Chinese characteristics, the guide to the progress of all work, and the political foundation for the unity of the entire party. The key to upholding the line, principles, and policies since the 11th CPC Central Committee's Third Plenary Session lies in adhering to "one center, two basic points." In the preamble, the 14th party congress constitution made detailed expositions on one center and two basic points, and the relevant requirements were outlined in the articles.

Second, make the contents and provisions practicable. The party constitution is the criterion of work and the standard of behavior for party organizations and members. Good organization, practicability, and serviceability are the constitution's outstanding characteristics. The key to safeguarding the authority of the party constitution lies in ensuring that its contents and provisions conform to current party work and reality and that it is easy to follow and operate. Based on the spirit of seeking truth from facts, the 14th party congress constitution amended the contents and provisions of the previous constitution accordingly. Those still applicable were retained, those not conforming to current reality were removed or altered, those which were feasible on the whole but not in part were adjusted or supplemented, new experience summed up in practice was included, and the new problems encountered in reality were standardized as much as possible. In a word, practice as the criterion of truth was upheld to make the contents and provisions more realistic.

Third, maintain the authority of the party constitution and the continuity of its contents. Party work and building is a sustained process of carrying forward the cause and forging ahead into the future. To maintain continuity in party work and building, it is necessary to

seek development on the basis of inheritance and to progress based on the foundation of our present achievements. The 14th party congress constitution adhered to the spirit of seeking development based on inheritance in revising the previous constitution. Instead of fundamentally revising the entire document, only part of the 12th party congress constitution has been revised. On the whole, everything in the 12th party congress constitution that is still applicable has been retained. In addition, the overall framework and structure have also been retained. Work focused on the preamble and supplemented, readjusted, revised, and removed some sections, paragraphs, and articles. Even though some provisions have been revised, continuity has been maintained as much as possible in the implementation. This will be conducive to safeguarding and maintaining the authority of the party constitution and to the healthy development of party work and building.

Fourth, extensively study and adopt the opinions and proposals of the party organizations at all levels as well as the vast numbers of party members. The party constitution is the common embodiment of the will of the entire party. Over the past year or two, party organizations of many localities and departments have made opinions and proposals through various means on revising the party constitution. The CPC Central Committee and relevant departments have also received many letters from party members that offered specific proposals for revising the party constitution. All this has fully reflected the common desire of the vast numbers of party organizations and members for revising the party constitution. Many of the opinions and proposals have been adopted. We can say that the 14th party congress constitution is the crystal of wisdom of the whole party, embodying the common will of the whole party.

The Main Contents of the Revision of the Party Constitution at the 14th Party Congress

The 14th party congress made a major readjustment to and supplemented the party constitution's preamble. It briefly explained the theory of building socialism with Chinese characteristics, added the party's basic line in the initial stage of socialism, and supplemented the basic requirements of party building and leadership. In Chapter 10 and Article 50, the overall structure has been preserved, while some parts have been revised. To meet the needs of implementing the party's basic line, new and higher demands have been set for party members and cadres. Meanwhile, in light of the current reality of party work, necessary revision and supplement have been made on the provisions regarding the party's organizational system, functions of grass-roots party organizations, and inner-party life.

First, it is an irreversible trend of social historical development that socialism will inevitably replace capitalism. Proceeding from the practice of socialism over the past 50 years, the third and fourth paragraphs of the preamble have been adapted, briefly recounting the basic tenets of Marxism-Leninism on the universal law of

human social historical development and the basic viewpoints on the inevitable victory of socialism and pointing out that the history of the past century since the publication of the Communist Manifesto has proven that the theory of scientific socialism is correct and that socialism has great vitality. Comrade Deng Xiaoping's expositions on the essence of socialism are then included. The expositions, which constitute the new summary of scientific socialism, demonstrate our party's deepened understanding of socialism. In view of the changes and setbacks in current socialist development, it is clearly pointed out at the end that, while setbacks and repetitions occur in socialist development, the substitution of socialism for capitalism is an irreversible trend in social historical development. Socialism will move closer to victory step by step.

Second, a passage on historical developments since the 11th CPC Central Committee's Third Plenary Session has been added to the sixth paragraph of the preamble, which clearly affirms the historical position and important role of the theory of building socialism with Chinese characteristics. The passage affirms the historical position and the achievements attained in party work since the 11th CPC Central Committee's Third Plenary Session and the line, principles, and policies as well as the theory of building socialism with Chinese characteristics. The inclusion of this historical course into the party constitution reflects the shaping of the theory of building socialism with Chinese characteristics. Regarding the historical position and important role of the theory of building socialism with Chinese characteristics, the party constitution confirmed that it "has expounded the basic question of China's building, consolidation, and development of socialism; has inherited and developed Marxism; and has guided the continuous advance of China's socialist cause."

Third, the basic question of China's initial socialist stage is added. This is an important part of the theory of building socialism with Chinese characteristics. Paragraph 7 of the preamble, where these basic problems have been added, includes the following: In the initial stage, it is necessary to proceed from China's national conditions and take the road of socialism with Chinese characteristics; China's primary social contradiction is between the people's increasing material and cultural needs and backward social production; the fundamental task of China's socialist construction is to further emancipate and develop the productive forces, gradually attain socialist modernization, and reform the aspects and links in production relations and the superstructure that are not suited to the development of the productive forces; the fundamental economic system of socialism is the ownership structure of coexistence of various economic sectors based on public ownership of the means of production and implementation of the distribution system focused on distribution according to work and supplemented by other distribution forms; the "three beneficients" [beneficial to promoting the productive forces, beneficial to reinforcing the comprehensive

national strength of our socialist country, and beneficial to enhancing the living standards of the people] are the starting point and criterion for all work; and China's economic development strategy is divided into three steps and China's average gross national product will reach the level of the intermediate developed countries by the middle of the next century.

Fourth, the contents of the party's basic line have been added. The general task specified in Paragraph 8 of the preamble has been rewritten to reflect the party's basic line, which had three additional passages explaining one center, two basic points. Regarding the central task of economic construction, it has been emphasized that the central task should be upheld in the party's leadership over the socialist cause, and other work should serve this central task and promote economic construction. Regarding the two basic points, it has called for upholding the four cardinal principles in the entire course of the socialist modernization program, opposing bourgeois liberalization, fundamentally reforming the economic system, which hinders the development of the productive forces; establishing a socialist market economic system; introducing reform of the political system and other fields; and practicing comprehensive opening up at home and abroad.

Fifth, the contents of building socialist spiritual civilization have been enhanced. Paragraph 10 of the preamble now includes a passage saying that the building of socialist spiritual civilization has offered powerful spiritual motivation and intellectual support to economic construction, reform, and opening up and has created a fine social environment. This part stresses respecting knowledge and qualified personnel, improving the moral values and scientific and cultural qualities of the entire nation, carrying forward outstanding traditional national culture, and boosting and developing socialist culture. New contents have been added that advocate applying the party's basic line, patriotism, collectivism, and socialist thinking to educate party members and the people, increasing national pride, confidence, and self-improvement, conducting education in lofty communist ideals among party members, resisting decadent ideas of capitalism and feudalism, and wiping out all kinds of ugly social phenomena.

Sixth, the section on building the democratic legal system has been supplemented. The following has been added to Paragraphs 11-13 of the preamble: Uphold the system of the people's congress, adhere to the system of multiparty cooperation and political consultations under communist party leadership; vigorously support the people to become masters of their own affairs; encourage free airing of views and establish and improve the system and procedures of making policy decisions democratically and exercising democratic supervision; strengthen state legislation and legal enforcement work so that all the country's work can gradually embark upon the track of the legal system; tackle social order problems in a comprehensive way and maintain long-term social stability; and resolutely crack down on criminal offenders

and their offenses, which endanger state security and interests or harm social stability and economic development. The part that addresses the building of the People's Liberation Army [PLA] has been removed from Paragraph 11, and the following has been added: Proceeding from the Army's position and role in the new period, the party must exercise leadership over the Army and the other people's armed forces. The PLA's role in consolidating national defense, defending the motherland, and taking part in socialist modernization should be brought fully into play. The attainment of common prosperity and comprehensive progress has been added to Paragraph 12, and the policy of "one country, two systems" has been added to Paragraph 13.

Seventh, the passage on the party's basic stand on international affairs has been rewritten. The following passage has been added to Paragraph 14: "The CPC stands for vigorously developing external relations and striving for a favorable international environment for China's reform, opening up, and the modernization program." The passage on the party's basic stand on international affairs has been rewritten as: "Uphold an independent and peaceful diplomatic policy, safeguard China's independence and sovereignty, oppose hegemonism and power politics, maintain world peace, and promote human progress." The following has also been added: "Continue to develop friendly and harmonious relations with China's neighboring countries and strengthen unity and cooperation with the developing countries."

Eighth, new requirements have been set for party building and leadership. In light of the party's task and the new circumstances and problems facing party work, Paragraphs 15-19 of the preamble have been supplemented so that they clearly point out the necessity of carrying out party building focused on the party's basic line, strictly administering the party, and building the party into a firm core leading the people of the entire country in advancing along the road of building socialism with Chinese characteristics. The basic requirements for party building have changed from three points to four, adding "upholding the party's basic line" in the first place position. The whole party is required to unswervingly make long-term efforts and seek unity of thinking and action based on the party's basic line and the theory of building socialism with Chinese characteristics. Apart from opposing all erroneous "left" and right tendencies, it is necessary to be alert to the right tendency but primarily to guard against the "left" tendency. "Persevere in emancipating the mind and seeking truth from facts," which has been put in the second place, has been supplemented by the the following words: "making vigorous explorations and bold experiments, creatively carrying out work, studying new circumstances, summing up new experiences, resolving new problems, and enriching and developing Marxism in practice." To the third point, which calls for "perseverance in serving the people heart and soul," the following passage has been added: The whole party should always give priority to

the interests of the masses, unswervingly oppose corruption, strengthen party building, and run a clean administration. In the fourth point, which calls for "upholding the system of democratic centralism," the passage "exercising a high degree of centralism on the basis of democracy" has been changed to "the system of democratic centralism is centralism based on democracy and democracy under the guidance of centralism." It has also been pointed out that this is the party's fundamental organizational principle and an application of the mass line to party life. Paragraph 19 of the preamble stresses that the party should adapt itself to reform, opening up, and the socialist modernization program and should strengthen and improve party leadership. The party is urged to concentrate its energy on leading economic construction, organizing and coordinating the forces of all fields, and making concerted efforts to carry out work focused on economic construction. It is necessary to make democratic and scientific policy decisions, meet the developing situation and changing conditions, and constantly improve the forms, methods, and art of leadership.

Ninth, new and higher demands have been set for party members and cadres. Resolutely implementing the party's basic line, principles, and policies are the basic conditions that party cadres must possess as well as the major duties party members must fulfill in the new period. Resolutely implementing the party's basic line, principles, and policies has been added to Article 3 of Chapter 1 and Article 35 of Chapter 6. Party members are asked to take the lead in reform, opening up, and the socialist modernization program and lead the masses in working hard for economic development and social progress. Cadres are asked to devote themselves to reform, opening up, and the modernization program and to do pioneering work, blaze new trails, and attain practical results in socialist construction. Regarding the basic requirements for cadres, apart from fulfilling the duties of party members, they should master the theory of building socialism with Chinese characteristics and apply the stand, viewpoint, and methodology of Marxism to analyze and resolve practical problems, integrate the party's principles and policies with the reality of the locality or department, speak the truth, do practical things, seek practical results, and oppose formalism. They should have practical experience, correctly ensure the rights entrusted by the people, be free from corruption, honestly perform their official duties, set a fine example, lead a plain life, maintain close ties with the masses, and uphold and safeguard the party's system of democratic centralism.

Tenth, the term of the party's local organizations and grassroots-level organizations has been duly readjusted. In light of the experience over the years and the requirements of many local party organizations and grassroots-level organizations, the term of county level party committees described in Chapters 4 and 5 has been changed from three to five years, the term of basic level committees has been changed from three to three or four years, and the term of general and branch committees has been

changed from two to three or four years. Because of the great differences in the number of party members, the nature of the work, the limits of authority, and the distribution of grassroots-level organizations, such an elastic stipulation on the term of these organizations is practicable.

Eleventh, the responsibilities of the grass roots party organizations have been further defined. In light of the needs of practical work, Article 33 of Chapter 5 has been rewritten. Regarding the neighborhood, township, town, and village level party organizations, they should lead the work in their area and support and ensure the functions fully performed by the administrative, economic, and mass autonomous organizations. Regarding the basic level party organizations in state-owned enterprises, they should give full play to their role as the political core, carry out work focused on enterprise production and operation, and concretize the role of the political core in upholding and improving the system of factory director (manager) assuming sole responsibility, wholeheartedly relying on the masses of workers, taking part in policy decisionmaking on major issues, and improving their own qualities. Regarding the basic level party organizations in institutions, the basic level party organizations of the institutions that implement the system of administrative leaders assuming responsibility should "give full play to their role as a political core" while those that implement the system of administrative leaders assuming responsibility under the leadership of the party committee should "hold discussions and make decisions on major issues and at the same time ensure that the administrative leaders can fully perform their rights."

Twelfth, some changes have been made to the work procedures for party discipline and discipline inspection organs. The following passage has been added to Chapter 7: Party discipline is the norm of conduct that party organizations at all levels and all party members must abide by; party organizations and their members must strictly enforce and safeguard party discipline and be bound by party discipline. The passage in Articles 38 and 39 regarding disciplinary and legal sanctions against party members who have violated government regulations and state laws and which advises organizations outside the party to remove their posts has been eliminated, as it is not an inner-party issue and has nothing to do with party discipline. To promptly handle party committee members who have violated party discipline, Article 40 stipulates that the Political Bureau of the central committee and local party committee standing committees may make decisions first and then submit them to the plenary sessions for endorsement. Article 44 also stipulates: If the discipline inspection commissions have discovered violations of party discipline by party committee members at the same level, they should check it first. If the case is to be placed on file for investigation, it should be submitted to the same level party committee for approval. If it involves the standing committee, after the case has been submitted to the same level party

committee, it should be submitted to a higher level discipline inspection committee for approval.

Thirteenth, the provision of the 12th party congress constitution on leading party group has been restored. In light of the needs of practical work, the 14th party congress constitution restored the provision of the 12th party congress constitution on establishing leading party groups in government departments and economic and cultural organizations. The leading party group's tasks include discussing and determining major issues of the departments concerned and guiding the work of the party organizations directly under its jurisdiction.

The Brief Course of the Revision of the Party Constitution at the 14th Party Congress

The work concerning the revision of the 14th party congress constitution began in March 1992. While deliberating the preparatory work for the 14th party congress, the CPC Central Committee Political Bureau Standing Committee earnestly analyzed the status quo of party work and building and proposed partial revision of the party constitution. By the end of March, a party constitution revision group was set up to prepare for revising the party constitution. Following its establishment, the group studied the principles, steps, and methods for revising the party constitution in light of the instructions made by the CPC Central Committee Political Bureau Standing Committee and extensively collected material concerning previous constitutional revisions. It sorted out and classified the party's basic expositions on international and domestic issues over the past decade since the 12th party congress—particularly Comrade Deng Xiaoping's important expositions on building socialism with Chinese characteristics—in accordance with the norm of the party constitution. The group also collected and analyzed the opinions of the broad ranks of party organizations and members on the party constitution's revision and analyzed the reality of party work and building in light of the information gathered by various departments, making careful studies of the new circumstances that have cropped up and the new problems that need to be settled. After making these preparations, the group concentrated its time and energy on analyzing and studying the amendments to some articles of the constitution of the 12th and 13th party congresses sentence by sentence and drafted the manuscripts of the (amended) party constitution.

From July to September, the Political Bureau Standing Committee deliberated the manuscripts of the (amended) party constitution on several occasions and urged the revision to give prominence to the theory and practice of building socialism with Chinese characteristics, to systematically embody in the party constitution the basic viewpoints of the party—and particularly Comrade Deng Xiaoping—on building socialism with Chinese characteristics as well as the party's line and a series of major principles and policies, and to retain those elements of the former party constitution that are still applicable. In light of the views of the Political Bureau

Standing Committee, the group revised the (amended) party constitution on numerous occasions, which later became the revised version of the (amended) party constitution. In mid-September, the Political Bureau deliberated the revised version of the (amended) party constitution and agreed to submit it to the 13th CPC Central Committee's Ninth Plenary Session for deliberation. The 13th CPC Central Committee's Ninth Plenary Session, which was held from 5 to 9 October, earnestly deliberated the (amended) party constitution and put forward many important opinions. The group made revisions in light of these opinions. On 9 October, the plenary session adopted the (amended) party constitution and decided to submit it to the 14th party congress for examination and approval.

The 14th party congress, which was held 12-18 October, earnestly deliberated the (amended) party constitution submitted by the plenary session for examination and approval. The group made a written explanation to the congress on the basic consideration and main contents of the revision of the party constitution. The representatives freely aired their views, held heated discussions, and made many valuable proposals. Under the presidium's leadership, the group made another revision in light of these proposals. At the plenary session of the 14th party congress held on the afternoon of 18 October, the representatives unanimously adopted the (amended) party constitution. The "Resolution on the (Amended) CPC Constitution" adopted by the congress pointed out: "The theory of building socialism with Chinese characteristics and the party's basic line, which are included in the party constitution, will be of great significance to unifying the thinking and action of the entire party and winning a greater victory in the cause of socialism with Chinese characteristics." The congress called on "the party organizations at all levels and comrades throughout the party to resolutely implement the provisions of the party constitution and further enhance the party's cohesive force and combat effectiveness so that the party can give full play to its role as the core of leadership in reform, opening up, and the socialist modernization program."

Former Culture Minister Criticizes Leftists

HK2912034092 Guangzhou YANGCHENG WANBAO
in Chinese 7 Dec 92 p 6

[Article by Wang Meng (3769 5536): "New Implications of Name List Theory"]

[Text] "The name list theory" is, of course, only a term for fun. There is not such a subject either in universities or middle schools. It means that when doing something, a name list is worked out. There two main points in working out a name list. One is the scope and the other is the sequence. When those who should be invited are not invited or vice versa, this will cause trouble. It will not do either to take lightly seating arrangements after invitation, the order of making speeches, the scope of coverage provided in newspapers, or the order of the

names published. I came across a gentleman who spoke with tears rolling down his cheeks because his name was not published in newspapers after taking part in an activity. He asked: "Why was not I given some warmth? It would occupy only a little space, right?"

To properly handle problems like this, there should be a rule. The simplest method is listing names according to official posts. If he is not an official, something must be done to turn him into an official. This is like converting all currencies into the U.S. dollar, which is acceptable everywhere. This rule is absolutely necessary in the present period. Otherwise, it will be difficult to get something done. Of course, there are also shortcomings in doing so. Giving official titles regardless of circumstances can sometimes make people angry. Once a leading comrade invited a foreign artist to a banquet. He also asked some Chinese artists to keep them company. But when this news was reported, none of the Chinese artists' names were mentioned. Infuriated, that leading comrade said: "Does not such a report indicate that I only care for foreign artists and not for Chinese artists?"

But I am not talking about this here. I am referring to another name list magic art: With a little power in hand, one still cannot rest assured, but always feels that he is not supported and always wants to make a show of authority. So he resorts to the tactic of disintegration. In all kinds of work, he uses the tactics of disintegrating and destroying the enemies one by one. During today's meeting, he has talks with Zhang, Wang, and Li, but not with Zhao; at tomorrow's meeting, he has talks with Wang, Li, and Zhao, but not with Zhang; on distributing tickets, he looks for Zhang, Li, and Zhao, but not for Wang; when summoning a committee meeting, he does not look for all committee members but for individuals, brazenly dragging in one faction and hitting at another; even when working out a telephone list, he also wants to have the "policy embodied" (?) [question mark in parenthesis as published], racking his brain to list so and so and not to list so and so; then he says naively: "There are good comrades all around here...." Like a fool in a dream, he thinks that his trick will keep those who are not on the list worrying and make those who are on the list grateful. Subsequently everybody will expose each other to seek favor with him and finally they are subjected to subordination. Thus this expert in name lists nets the profits. What a good idea.

The result is the destruction of all principles and regulations and the exposure of himself. This kind of people have big ambitions, but little talent; they like to resort to deception, but actually they are stupid. They regard others as children. When they do something, they do it stealthily and timidly. They are skillful in playing tricks but their tricks are, after all, only children's games. Finally people feel utterly bored. They enjoy themselves with great relish, but others are laughing their heads off.

Carrying out disintegration has become a hobby of some people. Their basic idea is not to let others remain united, thinking that others' unity is harmful to them.

They like to disintegrate their subordinates and their superiors as well, dragging in some and hitting at others. Apart from this, they can do nothing else. Wherever they go, they will stir up disputes; whenever a dispute breaks out, they are very happy.

This malpractice is indeed much more terrible than offering feasts and presenting gifts.

If we say they are troublemaking officials and thieves, this is too courteous for them.

"Left" Lords Do Not Admit They Are Left

"Left" lords in literature and art circles are not willing to hear others say they are left. On the one hand, they encourage their subordinates "to remain fearless when others say they are left," thus those who are eager "to catch the bus" [gan che 6385 6508] will pull the chestnuts out of the fire for them. On the other hand, they hate to hear others say they are left. They even indecently yell to guests from overseas: "I am not a leftist but a rightist!" "I am not the king of leftists but the king of singers, the king of drinkers!" Their feelings are true, as are their intentions; they point at heaven and earth, lamenting in despair.

True, it is unjust to treat "left" lords as leftists. They are not revolutionary radicals, nor have they surpassed the historical development period, still less are they suffering from an infantile disorder—they are far from being childish. They are not excessive in fighting their enemies—they do not care about real enemies because they have always seized their comrades.

Their remarks are leftist but their minds are not. After sternly criticizing others out of a sense of justice, they immediately declare: "I have now got on the bus." Is there anything which sounds leftist?

In private, they talk about personal gain and nothing but personal gain. They do what suits themselves.

They respect their personal gain most, they are avaricious, they abuse their power for personal gain, and they use public office for private gain.

They take a leftist attitude toward others, but not toward themselves. They engage in empty talk with others, but are practical toward themselves—they will grab what they can grab, and take what they can take, without asking whether the thing they get is surnamed capitalism or socialism. No wonder, a saying has been prevalent over the last two years, which reads: "Theory should be integrated with material benefit," which is different from the party's fine style in the past—integrating theory with practice.

They take a leftist attitude toward people outside their circles, but not toward people in their circles. They ignore political, economic, and moral problems involving people in their circles. If everything is smooth

with someone, even fowls and dogs can fly. If one falls from grace, the rest are discredited; if one flourishes, the rest flourish.

They never care about party discipline or state law, and they can do as they like. If a leading comrade's words do not meet their taste, they will say "these are his personal opinions." If their chief says something, they will accept it as infallible advice.

Some foreigners do not understand them. As a matter of fact, their purpose in abusing foreigners is to make a show to their superiors and to intimidate their subordinates. Actually, they have the strongest intention to go abroad, to go shopping, to intercept foreign exchange, to accept gifts, to send their children to foreign countries..., to watch X-category movies in Western countries, and to get reimbursement after watching these movies from the foreign units which accommodate them. They talk about opposing peaceful evolution, but as a matter of fact they are "fostering successors transcending this century and the next." They summon their "successors" to give them sauna baths first. They frequently eat hot-pot beef, but still sigh that "Marxists" like them are "isolated without support"; sometimes they recall past suffering and think over the source of present happiness while drinking "Wuliangye" [famous Chinese wine] in celebration of the "final victory" of "Marxists" like them.

Those who wish to carry out "peaceful evolution" in China should support these "left" lords, who will be much faster in evolving themselves than those "elites." They should be honored with a "peaceful evolution award."

Government To Liberalize Control of Some Papers

HK2812034892 Hong Kong SOUTH CHINA
MORNING POST in English 28 Dec 92 p 8

[Article by Willy Wo-lap Lam]

[Text] Beijing is set to liberalise party control over newspapers that do not touch on ideological and political matters.

The authorities will also establish a formal censorship system so that press articles will be vetted by administrative departments in accordance with well-defined regulations.

Censorship has traditionally been wielded by Communist Party commissars who often ban articles on the murky grounds that they go against "Marxist principles".

At the same time, staff of the nation's 1,755 newspapers have been asked to re-orientate their publications to the requirements of the marketplace.

Chinese sources said Beijing would shortly set up a news bureau and a publication bureau to exercise censorship over newspapers and publications.

The two bureaus will probably replace the existing State Press and Publications Administration.

A set of rules and guidelines will be promulgated to spell out in non-ideological terms which types of material cannot be published.

For example, a press piece advocating "Western-style democracy" is likely to be banned on the grounds that it prejudices state security rather than violates Marxist concepts.

However, it is understood the censors will be asked to grant large degrees of autonomy to four categories of newspapers: afternoon and evening publications, news digests, papers specialising in culture and lifestyle and trade journals.

Tight political control will still be imposed on five types of newspapers: party mouthpieces, nationally or municipally circulated general papers, army papers, papers of enterprises and "papers with special target audiences".

"Beijing wants to take a legalistic and institutional approach to media control," an informed source said.

"Censorship will be exercised by specialised government departments, not Communist Party functionaries."

The authorities also want to cut down on massive subsidies on media units, only one-third of which are financially self-sufficient.

With the exception of the mouthpieces of party and army units, most newspapers will be treated as commodities, rather than the traditional "tools for class struggle".

Beijing's propaganda departments have asked media units to increase the number of articles that "readers like to read", especially those on culture, entertainment, and business.

The four categories of non-political papers will be allowed to curtail material about communist ideology and dogma.

Editors and managers are asked to run their media organizations like enterprises.

More attention will be paid to advertising, which in 1991 provided revenues of 960 million yuan (HK\$1.26 billion) for Chinese newspapers.

Press, Publications Reform To Be Deepened

OW2912061992 Beijing XINHUA in English 0506
GMT 29 Dec 92

[Text] Beijing, December 29 (XINHUA)—The aim of press and publications reform is to make them adapt to the market economy, according to Song Muwen, director of the Press and Publications Administration of the central government.

Over the next year publishing houses will be given the authority to decide by themselves which books, except

for certain special ones, to publish, without needing official approval, Song said.

It is no longer necessary for publishing houses to be strictly limited to the publication of certain kinds of books. In addition, their right to decide prices and salaries will be expanded, and some will be changed into enterprises and no longer be government institutions.

Wholesale prices will be decided by publishing houses themselves.

Besides the XINHUA bookstore, other state-run and collective-run bookstores will also have the right to deal with wholesale and retail sales.

Editorial Urges 'Intense' Study of Dialectics

HK2912060092 Beijing RENMIN RIBAO in Chinese
21 Dec 92 p 1

[Editorial: "Create an Intense Climate of Studying and Making Use of Materialist Dialectics"]

[Text] At the 14th party congress and First Plenary Session of the 14th CPC Central Committee, Comrade Jiang Zemin stressed the importance of the study of materialist dialectics, pointing out: It is necessary to conscientiously learn Comrade Deng Xiaoping's "scientific attitude and creative spirit of employing the Marxist position, viewpoints, and method in studying new situations and solving new problems." "For leading cadres, it is very important to handle well their work and study and grasp materialist dialectics." Comrades of the whole party must try genuinely to understand the profound relationship between Marxist theory and practice and the tremendous power of a scientific world outlook and methodology for an effective pursuit of reform and construction, and create an intense climate of studying and making use of materialist dialectics.

There are still many contradictions and puzzles in the present national economic and social development awaiting solution. This renders it necessary to learn and grasp not only various party principles and policies but also materialist dialectics through practice. For instance, with the knowledge that the universal nature of contradiction resides in its particular nature and that universals reside in particulars, and only through a conscientious study of the particular nature of contradiction, will we be able correctly to understand contradiction and the principles of handling contradictions and to base ourselves with greater awareness on the particular situation of one's locality or local conditions, tailor measures on local conditions, and launch work in a creative manner. Only when we understand the law of the unity of opposites will we be able to understand more deeply why we must insist on doing two types of work simultaneously and attaching equal importance to both; that we must grasp the construction of both material and spiritual civilizations; that we must actively push for reform and opening up while cracking down on various criminal activities; and that we must grasp economic construction

as well as democracy and the legal system. When we understand that both nature and human society are large complicated systems, their internal constituents interrelated and interactive with the external environment, and that there is no possibility for an absolutely isolated and completely closed self-existence, we will become more aware of pushing for coordinated reform and will pay more attention to infrastructural projects and facilities and maintaining the development of the national economy at relatively high speed and with relatively good economic efficiency. When we understand that according to the law of the negation of negation, each negation casts away and overcomes negative and outdated things in a previous stage of development, and preserve and enhance its positive and reasonable things, we will understand further why we must absorb and learn from all that is valuable in capitalist society, and so on.

The entire history of human civilization is a history of human understanding and transformation of the objective world. The entire history of revolution and construction is a history of how objective dialectics embedded in wars, revolutions, reforms, and construction came to be understood and employed by mankind. The objective world resides in universal relations and permanent development, and materialist dialectics is a profound revelation of the dialectic development of the objective world and its internal laws. Only when people fully understand and self-consciously employ materialist dialectics will they begin to approach truth, grasp the laws, and seize the initiative of transforming the world. Materialist dialectics is the world outlook and methodology for the working class and the philosophical foundation for the entire Marxist theory. The basic principles of scientific socialism, party line, principles, strategies, and tactics are all born from this foundation. To implement the party line, principle, strategies and tactics comprehensively and correctly, it is necessary to learn to think dialectically. Many of our localities and departments have done a fine job precisely because they were better able to employ materialist dialectics and better at coming to grips with and handling problems in a Marxist position, viewpoint, and method. Why were there subjectivism, biases, distortions of a policy in the process of implementation, and bureaucratism and formalism in ideological understanding and practical work? One of the important causes was that the materialist dialectics of Marxism had not been mastered.

Ours is a party good at linking up theory with practice. In party history we have the tradition of combining summing up of experiences and lessons with the study and grasping of materialist dialectics. Shortly after the first revolutionary civil war, Comrade Mao Zedong delivered the addresses "On Practice" and "On Contradiction," in which he made a profound philosophical characterization of the experiences and lessons in the decade-long civil war. During the Yanan rectification period, Comrade Mao Zedong stressed the "study of ideology and methodology" as the centerpiece for the study of theory,

and made the edited reader "Marx, Engels, Lenin, and Stalin on Ideology and Methodology" one of the 12 compulsory books for cadres. The "resolution on certain historical problems" adopted by the Seventh Plenary Session of the Sixth CPC Central Committee profoundly analyzed, in terms of world outlook and methodology, of the ideological sources of the mistakes the party made in its history, pointing out that "they all violated dialectical and historical materialism, blowing up biased and relative truths into universal and absolute truths." Following the country's founding, in some of his reports and documents, Comrade Mao Zedong repeatedly reminded the party to advocate and highlight materialist dialectics and oppose idealism and metaphysics. Before and after the Third Plenary Session of the 11th CPC Central Committee, our party set to right things which had been thrown into disorder on the ideological line and thereby laid the important ideological foundation for the party's Marxist political line in the new era. Part of the "resolution on certain historical problems for the party since the founding of the country" passed by the Sixth Plenary Session of the 11th CPC Central Committee was devoted to a new characterization of the position, viewpoints and methods of a Chinese communist, and pointed out that seeking truth from facts, mass line and independence, and being self-directed are the living souls of Mao Zedong Thought. The 14th party congress report made a basic summing up of the great practice of 14-year long reforms and opening up, and the text of the report sparkles with materialist dialectics. When we inherit the party tradition, we inherit also the party's traditions of studying materialist dialectics in combination with practical conditions, the transformation of the subjective world and of the relationship between the subjective and objective worlds. Our party carries the great task of leading 1.1 billion people toward a new century. Grasping materialist dialectics carries overall significance for the development of the country and national reinvigoration. Therefore, the whole party, especially the party's leading cadres, must assign an important place to the study of theory and philosophy and grasping materialist dialectics.

To study materialist dialectics, it is necessary to study Marx's, Lenin's, and Mao Zedong's works, particularly the Marxist position, viewpoints, and methods embodied in Comrade Deng Xiaoping's theoretical works and 14th party congress report. Comrade Deng Xiaoping's theses of seeking truth from facts, everything being based on practical situations, the combination of theory and practice, and verifying and developing truth with practice, all shine with the ideological sparkle of materialist dialectics. His sayings of the basic principle of Marxism being the development of productive forces, the necessity to continue to liberate productive forces even in the socialist historical stage, science and technology being the primary productive forces, and productive forces being the criterion for judging the success and failure of various jobs, are all creative explications of historical materialism. His views of upholding the two basic points, doing two types of work simultaneously,

resolutely opposing the two erroneous tendencies, and dividing history and historical figures into two in evaluation, are ingenious applications of the law of the unity of opposites. The analysis of the focus of work for the whole party, reform and opening up, expediting economic development, building a socialist market economic system, and so on in the 14th party congress report are all models of dialectical thinking. Conscientiously studying and appreciating the materialist dialectical thinking in Deng Xiaoping's works and the 14th party congress report helps us sharply heighten awareness of implementing and carrying out the party's basic line.

Middle- and high-ranking cadres must play a leading role in creating an intense climate of studying and using materialist dialectics. They must combine the study with practice and summing up of experiences, and elevate the experiences and lessons in one's locality and local department to the plane of world outlooks and methodology and view them thus. Comrade Mao Zedong once urged: "Dialectics should move from the philosophers' circle to among the broad mass of the people." He earnestly hoped that China would become a country with fully developed materialist dialectics. Grasping materialist dialectics is, among others, an important quality for a person. We believe that through the repeated practice and understanding of the whole party, the party's ideological and theoretical level will be raised, it will be more aware of its grasp of the laws of building socialism, and its level of government and leadership will make big progress.

Reportage on NPC Standing Committee Session

Plenary Meeting Held

OW2812222992 Beijing XINHUA Domestic Service in Chinese 0941 GMT 28 Dec 92

[Text] Beijing, 28 Dec (XINHUA)—The 29th Session of the Seventh National People's Congress (NPC) Standing Committee held a plenary meeting this morning to discuss various matters.

Wan Li, chairman of the NPC Standing Committee, attended the meeting which was presided over by Vice Chairman Lei Jieqiong.

Song Rufen, vice chairman of the NPC Law Committee, made a report on the revision of the Surveying and Mapping Law and on opinions concerning the revision of the draft supplementary regulations governing the punishment of those who hijack airplanes, ships, or naval vessels.

Fei Xiaotong, vice chairman of the NPC Standing Committee; Fang Zhijun, member of the NPC Standing Committee; and Comrade Wang Shufang all made a joint speech suggesting development of the Huang He Delta be stepped up. They held that the Huang He Delta is a treasure land on China's eastern coastal area with

abundant natural resources and great potential for development. The rich land has a total area of approximately 26.5 million mu and can provide valuable reserve land resources for our country. Weather in the area is mild, the amount of rainfall is appropriate, sunshine is adequate, population is relatively sparse, and maritime resources are also abundant. The area is suitable as a base for agriculture, forestry, animal husbandry, fishery, and agricultural sideline production. Shenli Oilfield is our country's second largest oilfield, with known reserves of 3 billion tonnes of petroleum and 26.2 billion cubic meters of natural gas. In recent years, the annual output of crude oil has reached nearly one fourth the total output of all oilfields in the country. Besides, there is also abundant copper, gold, and other mineral resources and underground bitters. Those abundant resources have provided broad prospects for the development of energy, petrochemical, salt, and mining industries.

Their joint speech noted that our country's Chang Jiang and Zhu Jiang Deltas have been developed in a satisfactory manner, and economic development in those areas is very rapid. The speedy development of the Huang He Delta—the motherly river of the Chinese nation—ought to be placed on the important daily agenda as quickly as possible. If we can promptly revitalize the Huang He Delta, we can not only add new vitality to the economic development of Shandong and the areas surrounding the Bo Hai Wan, but also coordinate the economic development of areas resided in by people of various nationalities in the upper reaches of the Huang He and in areas in the middle reaches of the Huang He. In this way, those areas will be developed side by side with the Chang Jiang Valley, and will be able to catch up with the economic development of the coastal regions. This will have a profound bearing on China's development in the 21st century.

They suggested that the Huang He Delta should be listed as one of the nation's key development zones, that it should be opened in all directions to increase its vitality, and that the pace of development should be stepped up. By giving full play to the role of science and technology, we should change negative attitudes and passive positions in the development of the Huang He into positive attitudes and active positions; we should change the traditional concept of so-called "harnessing the Huang He" into effectively utilizing the irrigation of the Huang He to develop the economy in China's central region. We should fully develop the leading role of petroleum production in promoting the economic development of the Huang He Delta. We should waste no time in building ports and railways, and should establish a fund for the development of the Huang He Delta.

Xu Yunbei, member of the NPC Standing Committee, said: State-owned enterprises in our country are the backbone force and occupy a leading position in the national economy. However, past practices such as central control over revenues and expenditures, state appropriation of funds, levying additional taxes and fees,

paying both tax and profits to the state, and the so-called turning in money to the state in proportion to the amount of profits are all measures with income distribution in mind. They are not based on an economic system for the expansion of production, and hence cannot accumulate funds. The change of the enterprises' operational mechanism is correct. The operational mechanism can promote production, but it cannot solve the problem of the enterprises' economic system. If we do not change the enterprises' economic system, operational mechanisms may return to their original pattern following the change. Since we have now affirmed the establishment of the system of a socialist market economy, we must first reform the economic system of state-owned enterprises to promote the change of their operational mechanism and accelerate the development of a market economy.

He suggested: 1) state owned enterprises should be further liberated from the financial system of unified state control over income and expenditures, and should truly become economic entities with decision-making power and be fiscally accountable for their losses and profits; 2) as owners of these enterprises, the state should affix the proportion of the enterprises' burden; and 3) it is necessary to change the direct management of state-owned enterprises by financial departments to one of indirect control.

In their speeches, members Zhang Ruiying, Wang Houde, and Yin Fatang suggested that attention should be paid to preventing occupational diseases and speeding up legislation of the labor health law. They held that in recent years safe production has attracted the general attention of concerned departments, and that the number of deaths and injuries in construction and in business has been decreasing yearly. However, attention is still not adequate regarding occupational disease—including dust, powder, poisonous material, and noise. In the wake of the rapid development of the economy—especially the rapid development of village and town enterprises, "joint ventures, cooperative ventures, and wholly foreign-owned enterprises"—some localities have not paid adequate attention to preventing occupational diseases while attaching importance to promoting production. As a result, the problem of injury as a result of occupational disease has become serious.

They pointed out that the prevention of occupational injury and danger has a bearing on stable economic development as well as social stability and unity, in addition to satisfying the urgent wishes and demands of the broad masses of staff members and workers. We must raise our understanding of the seriousness of occupational disease and realize the urgency of the work of preventing occupational disease; we should set right the relations between preventing occupational disease and promoting production. Controlling danger and injury from occupational disease, and protecting the health of staff members and workers, are the most basic demands and condition for liberating productive forces. The prevention of occupational disease must be carried out in pace with economic development. Meanwhile, they

called for promptly enacting a national law on preventing occupational disease.

In their speeches, Standing Committee Member Hu Daiguang and Comrade Zhang Gensheng suggested the need to attach importance to the industrial position of Wuhan. Comrade Zhang Gensheng suggested that the law governing limited liability companies be amended and adopted as quickly as possible. In a written statement, Standing Committee Member Wang Jinling called for accelerating the reform of higher education. In written statements, Standing Committee Member Li Chonghui called for protecting normal competition, and opposed the promotion of sales of commodities with prizes, and Standing Committee Member Fu Kuiqing suggested the enactment of a law to protect aged people. Standing Committee Member Yang Lieyu also spoke at the meeting.

NPC Standing Committee vice chairmen attending today's meeting were Peng Chong, Yan Jici, Seypidin Aze, Rong Yiren, Ni Zhifu, Chen Muhua, and Sun Qimeng.

State Councillor Qin Jiwei attended today's meeting as an observer.

Hostage Convention Accepted

OW2812143892 Beijing XINHUA Domestic Service in Chinese 1009 GMT 28 Dec 92

[Decision of the National People's Congress Standing Committee on China acceding to the International Convention Against the Taking of Hostages—approved on 28 December 1992]

[Text] Beijing, 28 Dec (XINHUA)—The 29th Session of the Seventh National People's Congress Standing Committee has decided that the PRC will accede to the International Convention Against the Taking of Hostages, and has declared that the PRC reserves Section 1 of Article 16 of the convention and is not bound by that section.

Namelist of Removed Judges Released

OW2812215392 Beijing XINHUA Domestic Service in Chinese 1009 GMT 28 Dec 92

[Text] Beijing, 28 Dec (XINHUA)—Namelist of removal of positions by the National People's Congress (NPC) Standing Committee adopted by the 29th Meeting of the Seventh NPC Standing Committee on 28 December 1992:

1. Xiao Yongzhen is removed from his post as deputy chief judge of the Economic Division of the Supreme People's Court.
2. Zhang Zhigang [1728 1807 0474] is removed from his post as judge of the Supreme People's Court.

State Council Approves Report on Language Work

HK2612070992 Beijing RENMIN RIBAO in Chinese
19 Dec 92 p 3

[Report: "State Council Approves, Relays Report of State Language Work Committee on Checking the Confused Use of Spoken, Written Language"]

[Text] Recently, the State Council approved and relayed a report submitted by the State Language Work Commission on the current state of language work.

First, Making Great Effort To Popularize Putonghua and Promoting the Standardization of the Chinese Language

Popularizing Putonghua and promoting the standardization of the Chinese language is the task of prime importance in our country's language work in the new period.

Putonghua should be used as the medium of teaching in all schools. By the end of this century, Putonghua should be used as a language for teaching in all urban kindergartens, township central primary schools, and all other schools above that level; Putonghua should also be used as the campus language in all teachers' schools and all primary and secondary schools. Teachers' schools and secondary vocational schools for training kindergarten teachers, clerks, secretaries, and public service personnel should include Putonghua courses in their curriculum. Speaking Putonghua must be taken as a basic skill, and strict training must be given and strict examinations must be arranged for students. Those who cannot pass the Putonghua examination must undergo make-up examinations before they graduate, and graduates cannot receive their diplomas or certificates unless they pass the Putonghua make-up examination.

In society, the work of popularizing Putonghua should be conducted primarily in cities, especially in the party and government institutions, military units, and "window" trades that provide services for production and people's daily lives. By the end of this century, cadres working in institutions, organizations, and enterprises at and above the county level, commanders and soldiers of the Liberation Army, public security personnel and policemen, commanders and soldiers of the armed police force, and the personnel in law courts and procuratorates at all levels should use Putonghua as their working language, and workers in the service trades should use Putonghua as a language for providing services.

Broadcasts, television, films, stage dramas, and video and audio products play a strong exemplary role in the use of language, so they must use standard Putonghua. Some radio and television stations that are now using local dialects should gradually reduce the broadcasting time for local dialect programs in a planned way with the popularization of Putonghua.

Localities inhabited by minority nationalities should also attach importance to the popularization of Putonghua. In schools, local nationality languages and Putonghua should both be used as the media of teaching.

The popularization of Putonghua is aimed at promoting economic and social development and at enhancing the quality of the citizenry and work efficiency. It is not aimed at banning and eliminating local dialects, nor will this impede minority nationalities from using and developing their own languages.

Second, Strengthening Management of Character Use in Society, Promoting Standardization of the Chinese Characters

The Scheme for Simplified Chinese Characters was officially promulgated by the State Council. After that, the State Council approved and compiled The Table of Simplified Chinese Characters, and officially published it. In the past 35 years, more than 700 million people throughout the country have studied and mastered the simplified characters. Simplified characters have profound historical sources and extensive mass grounds. Therefore, it is now necessary to consolidate the achievements of simplifying the Chinese characters and to continue to popularize the simplified characters. In the future, a prudent attitude should be assumed for the simplification of Chinese characters, and Chinese characters should be kept stable in order to ensure the convenience of using characters in society.

In recent years, some disorderly phenomena appeared in society in the use of Chinese characters. This was mainly reflected in the facts that the original complex forms of some simplified characters were used too frequently, and some irregular simplified characters were also used. In order to strengthen language management, in the future all party and government institutions, military units, social organizations, schools, enterprises, and undertakings should use regular and standard characters for publishing and printing laws, regulations, administrative decrees, documents, notices, certificates, seals, tickets, signboards, and slogans. Characters used in publications; movie and television subtitles; computers; commodity packages; advertisements; name plates for places, roads, and stations; and in other media oriented to the general public must all be regular and standard.

Characters used in various cultural and sports activities and various meetings, such as sports events, art performances, exhibitions, commemorating meetings, celebration meetings, commodity fairs, and various contests must also be all regular and standard.

The use of the original complex forms of simplified characters should be strictly limited to a certain scope, and they can only be used in the fields of handling ancient materials, studying ancient cultural relics, calligraphy, and arts. As a form of art, calligraphy can adopt different forms and styles of characters, but the use of the standard form should also be encouraged. In other fields, if the original complex forms of simplified characters are

to be used, reports should be first submitted to the relevant central ministries or commissions or departments or to the relevant departments of the provincial, municipal, and autonomous regional governments for approval; copies of the reports should also be submitted to the State Language Work Commission for record.

The standardization of scientific and technological words and characters should be made according to the decisions made after the consultation between the State Language Work Commission and the National Committee for the Adoption of Terminology in National Sciences.

The government departments concerned at various levels should further adopt effective measures in light of the above-mentioned requirements to check the confused and disorderly state in the use of Chinese characters, and firmly, effectively, and gradually correct the irregular use of characters. By the end of 1995, the social use of characters should be standardized in the capital cities of all provinces and autonomous regions, in all municipalities, all cities with independent budgetary status, and the special economic zones and economic development zones.

Third, Continuing To Popularize the Scheme for the Chinese Phonetic Alphabet, and Expanding the Scope of Its Use

Pinyin, namely, the scheme for the Chinese phonetic alphabet, is a legal document adopted by the National People's Congress, and it also provides the international standard for spelling names of Chinese people and places. In the future, it is necessary to further promote the use of Pinyin and to expand the scope of its use. Importance should be attached to studying and solving problems in its application. The phenomena of irregular spelling should be eliminated. No department and unit has the right to decide the use of other phonetic systems on the occasions of using Pinyin.

Fourth, Intensifying the Work of Standardizing the Chinese Language and Its Written Forms in Order To Meet the Needs in the Development of Information Processing Technology

In recent years, the relevant units and departments in the State Bureau of Technology Supervision, the State Language Work Commission, and the Ministry of Mechanic and Electric Industry have jointly formulated and promulgated the state standards for Chinese characters used in the course of information processing, and this has played a positive role in standardizing the characters used in computer technology. In the future, these standards must be firmly popularized, and efforts should be made to follow the development of high technology in order to promulgate new standards in good time.

Fifth, Speeding Up the Legislation Work Concerning the Management of Language Use [end of text as published]

Use of Putonghua Urged

HK2612071592 Beijing RENMIN RIBAO in Chinese
19 Dec 92 p 3

[Commentator's article: "Speak Putonghua, Write Standard Characters"]

[Text] The report by the State Language Work Commission approved and transferred by the State Council requires governments and relevant departments at all levels to attach great importance to the standardization of our language and its written form, and to overcome the disorderly and confused state of language use at present. This newspaper today publishes the excerpts of this report in order to prompt all quarters of society to speak Putonghua and write standard characters.

The language work is related to national unification, nationality unity, social progress, and the development of international exchanges. Ours is a large multinational country. Apart from minority nationalities, simplified Chinese characters, Putonghua, and the Chinese phonetic alphabet scheme, Pinyin, have been used in the whole country for more than 30 years. This has produced a positive and profound influence on the unification of the language in our country.

In recent years, with the in-depth development of reform and the expansion of opening, new and extensive exchanges have been made among Chinese-speaking people inside and outside the mainland. At the same time, local dialects, nonstandard Putonghua, the original complex forms of simplified characters, and non-standard characters have been used in large quantities as a means of communication. This state of affairs cannot but arouse serious concern in society. We are again facing the issue of how to correctly use the Chinese language and the Chinese characters in the new historical period.

The estrangement and confusion caused by language may seriously affect the economic, cultural, and intellectual development of a nation or a region. This is a fact understood by any people with basic historical knowledge. The adoption of simplified characters and Pinyin, and the effort to popularize Putonghua in the Chinese mainland, are aimed at eliminating the estrangement caused by different local dialects, purifying the language of our motherland, and reducing difficulties for people beginning to learn the Chinese language and the Chinese characters. A fine foundation has been laid for the work in this field.

Comrade Jiang Zemin recently pointed out: It is necessary to continue to implement the state's current policies for the language work, and the orientation of simplifying the Chinese characters cannot be changed. Print materials and publications of all types must constantly use

simplified characters. The status quo in the use of Chinese characters on the two sides of the Taiwan Strait can be maintained, and different opinions can be discussed in the future. Calligraphy is an art creation. A calligrapher can write both simplified or original complex forms of characters according to his style and habit. According to this principle, it is now necessary to make further effort to popularize Putonghua, expand the use of Pinyin, and strengthen the management of character use for a benign social atmosphere for promoting the standardization of both spoken and written forms of our language and making them better suited to the needs of economic and social development.

Speaking Putonghua and writing standard characters should be a slogan for all society.

Statistics on Urban Population Released

OW2912062292 Beijing Central People's Radio Network in Mandarin 1030 GMT 23 Dec 92

[By Zhao Yong; from the "National Hookup" program]

[Text] Along with the development of the Chinese economy, the concept of marriage and child-bearing among urban residents has undergone changes. One child per couple has become the conscious action of a large number of cadres.

According to information released recently by the State Family Planning Commission, 84.6 percent of the urban population had practiced planned parenthood last year while 90.6 percent of them had used contraceptives; and 15.84 million couples in cities had signed the pledge to bear one child. Because of the changes in the concept of marriage and child-bearing, the natural population growth rate in Chinese cities has dropped from 16.4 to 8.53 per 1,000, or 0.313 percent below the national average. Urban residents have led the country in advancing toward the modern level of population growth characterized by low birth, mortality, and growth rates, thereby conspicuously raising the quality of city life.

Selected Reportage on Second Reform Published

HK2812094192 Beijing XINHUA Domestic Service in Chinese 1223 GMT 26 Dec 92

[Report: "Selected Reportage Entitled 'Hi, Xiaoping' Has Been Published"]

[Text] Beijing, 26 Dec (XINHUA)—"Hi, Xiaoping—Selected Works of Reportage on China's Second Reform Upsurge" jointly compiled by the China Literature Foundation and the China Entrepreneur Dictionary's Editorial Department was published by JINGJI RIBAO a few days ago.

The ordinary greeting "Hi, Xiaoping" implies the respect shown by the entire nation for the chief architect of reform and opening up, and expresses the aspirations of all people yearning for and backing up reform. With

these as themes, the selected works are enthusiastically received by people in all walks of life in the country. The book fully mirrors the successes and setbacks of reform and opening up in the past 14 years, as well as the new challenges and problems they confront. In the way of seeking truth from facts, the book reports the real achievements in reform scored by various trades and professions, and positively brings forth reform ideas, quickening the pace of reform, and establishing the socialist market economy.

Jiang Zemin Visits Hubei's Jiangnan Plain

OW2912094792 Beijing XINHUA Domestic Service in Chinese 0519 GMT 26 Dec 92

["Newsletter" by reporters Zou Aiguo (6760 1947 0948) and Zhang Songqing (1728 2646 7230): "The General Secretary's Trip to Changjiang-Hanjiang Plain"—Beijing XINHUA Domestic Service in Chinese at 0805 GMT on 26 December transmits a 2,854-character variant version of this item, along with a service message advising consumers to replace the 0519 GMT version with the 0805 GMT version; variations between the two versions are noted in brackets below]

[Text] Wuhan, 26 Dec (XINHUA)—Braving the thick fog of Hubei and traversing the Changjiang-Hanjiang Plain, Jiang Zemin, general secretary of the CPC Central Committee, and others rode in a van through township after township and village after village. [variant 0805 GMT version, following the dateline, omits the opening phrase to begin: "Jiang Zemin, general..."] Despite the fact that it was the middle of winter, an atmosphere of vitality pervaded the Changjiang-Hanjiang Plain.

With a view to protecting farmers' interests and enhancing the agricultural foundation during the course of promoting reform and opening up, Jiang Zemin, general secretary of the CPC Central Committee; Wen Jiabao, alternate member of the Political Bureau under the CPC Central Committee and member of the Central Committee Secretariat; and State Councillor Chen Junsheng carried out a four-day investigation 20-23 December to study farmlands and the homes of farmers. They talked while walking, posed questions, and took notes. They also discussed the important issue of invigorating the rural economy with various levels of cadres, farmers, and the masses.

On 21 December, as soon as daylight pierced the morning fog, Jiang Zemin and his party arrived at the Yuanzhen horticulture garden at the Xiaogan market. While looking out from the top floor of the horticulture building and viewing the endless rows of ripened honey peaches below, Jiang Zemin smiled contentedly. [previous sentence omitted in variant 0805 GMT version]

Zhou Guoping, party secretary of the horticulture garden, told the general secretary: "My peaches are now being sold ahead of others throughout the country." The general secretary said elatedly: "Great, your peaches

have filled market demands." [this paragraph is omitted in the 0805 GMT variant version]

In a drafty conference room in Taoyuan [variant version omits "in Taoyuan"], seated in wooden chairs along long tables, Jiang Zemin, donning a green military trench-coat, and village cadres gathered together to listen to opinions from farmers.

Liu Hanzhou, party branch secretary of Chanchuan village, began to speak, expressing his wish to "speak frankly with the leadership." He said: "Before talking about raising agriculture to new heights, we must first eliminate farmers' concerns about their low returns from farming. With skyrocketing prices affecting the means of production, and with sideline farm products facing free-falling prices, farmers are reluctant to engage in farming."

He continued by listing prices: It used to cost seven yuan for a bag of chemical fertilizer; it now costs 21 yuan. It used to cost 10 fen for one jin of diesel oil; it now costs 1 yuan. [previous sentence omitted in variant version] One jin of paddy rice used to sell for about 40 fen; it now sells for about 20 fen. In addition, farmers are overburdened with all sorts of levies and taxes. Peasants are feeling a great pressure [variant version changes "pressure" to "burden"].

Jiang Zemin asked: "How did your village manage to resolve this problem?"

Liu Hanzhou said that Chanchuan vigorously developed its village-run economy when China implemented the policy of reform and opening up. The village had built seven pumping stations, which helped it: stave off the ravages of draught and floods and ensure harvests. As long as farmers turn in their share of grain, the village government takes care of other things for them. The farmers' initiative was mobilized in this way.

Jiang Zemin said: "Your way is to encourage farmers' initiative by using revenues from industrial production to subsidize the farmers. To gain support from 900 million farmers, it is necessary to develop the economy and improve infrastructural construction in rural areas."

Hu Keqin, party branch secretary of Xinglong village, aired grievances to the general secretary: "The difficulty in selling grain is a big problem. We are now faced with the problem of disposing of some 180,000 jin of grain and 5,000 jin of cotton. Farmers have not yet received payments for grain and cotton that has already been sold; instead, they were issued a lot of IOU's." After a long pause, the 45-year-old party branch secretary said: "The government should protect us."

Jiang Zemin posed this question: "Does anyone know the reasons behind the low grain prices and the difficulties experienced in selling grain?"

This touched off a discussion among those in the conference room. One person said: "It is because of high

output and excess grain." Another added: "The distribution system is mainly at issue." Still another opined: "Grain storage poses problems."

A village party branch secretary said: "In the past people were encouraged to stock up on grain, but now they think differently. They think that stocking up is no longer necessary."

Jiang Zemin said seriously: "This may not be a good idea. As far as the people are concerned, food is still the most important thing in their lives."

Jiang Zemin then visited some orchards, ecological farms [sheng tai nong ye ji di 3932 1966 6593 2814 1015 0966] and [variant version reads: ...then visited some ecological farms and.... deleting word "orchards"] the Yingwu village and toured its grain and cooking oil processing plant, open-space granaries, and farming families. He also had talks with grass-roots cadres on many occasions about agriculture, the rural areas, and problems of the peasants. The cadres told [variant version reads: ...and farming families.... The cadres told.... inserting ellipses, deleting sentence] the general secretary that the local peasants have had several years of bumper grain and cotton crops; the things they like most are reforms and opening up, and the thing they hate most is lower income despite higher output.

On the afternoon [variant version reads: ...and cotton crops, and the things they like most are reforms and opening up. [new graf] On the afternoon.... deleting sentence] of 22 December, Jiang Zemin's van drove into a place located between Jingmen City and the ancient city of Jingzhou. [variant version reads: ...Jiang Zemin's van departed Jingmen City and headed for the ancient city of.... rewording] When he saw the row of farm houses by a pond along a highway section 400-500 meters long, he asked the driver to stop. Then he, Wen Jiabao, and Chen Junsheng walked along a long trail and came to Yandian village. While there, they visited the homes of peasant Jing Bangming and mason Liu Keju. [variant version reads: ...they visited the home of mason Liu Keju.... deleting words]

When the 51-year-old Liu saw the general secretary, he could not immediately figure out who the visitor was. So he slowly asked a man standing near him: "Who is that man? He really looks like General Secretary Jiang." By this time [variant version reads: ...the visitor was. By this time.... deleting sentence] Jiang Zemin had already stepped into his house and stretched out both hands to Liu.

Inside Liu's adobe hut, the general secretary and the simple farmer talked about things in daily life. Liu told the general secretary: "I must thank Deng Xiaoping for letting us have the freedom to produce what we want. In the past, when we had to produce what we were told, we could not make any money even if we went without sleeping. Since we now can produce what we want, our life is getting better and better. We hope the output-based contract system will not be changed."

Patting Liu's shoulder, Jiang Zemin said to him: "Old Liu, the party will not change the policy which helps people become affluent. You can rest assured!"

But the bewildered Liu asked: "Then why is it that so much money has to be withheld and why do we have to contribute money to so many things?"

Jiang Zemin asked: "What kinds of contributions do you have to make?"

"Too many to be counted," Liu replied, "as many as 10,000 yuan have been spent on food and drink alone in our village."

Jiang Zemin asked: "What were the food and drink for? Somebody got married? Were they for receptions for visitors from higher authorities?"

"Mostly for entertaining cadres who came here for meetings or inspections," Liu added: "This is not the case for our village alone. We masons work everywhere, and we can see that this is the case for 80 percent of the villages."

Jiang Zemin continued: [variant version reads: ...from higher authorities?] [new graf] "I am a mason. I work everywhere. As I see it, most of the food and drink were for entertaining cadres who came here for meetings and inspections." [new graf] Jiang Zemin continued:.... [rewording] Since you have visited a lot of villages, what do you think is the living standard of your village?"

Liu replied: "I have had meals in all the 13 villages in our town. The living standards of our village can be described as intermediate."

Then Jiang Zemin asked, in Hubei dialect: "Have you been issued any 'IOU's'?"

"No. In fact, I still owe the village 400 yuan. Some families, specially those without manpower, owe even more." [variant version reads: ...yuan. Some families owe even more.... deleting words]

Jiang Zemin's heart was heavy after visiting several poor families in Yandian village. Time and again he told Guan Guangfu, secretary of the Hubei provincial party committee, and Hubei Governor Guo Shuyan: "We should give special assistance to families like them. We should arouse their production initiative by reducing their burden."

Jiang Zemin and his party then visited the families of Ma Wangui and Liu Xugui, two peasants in Dongqiao Town in Zhongxiang City. Their cases were different from that of Liu Keju because they did not have to contribute money to any other projects except those under contracts.

Holding Ma Wangui's child in his arms and sitting in a crowded room, Jiang Zemin and members of Ma's family talked about the size of their cropland, how much grain they have reaped, and how they fare.

Ma told the general secretary that, under contract, 534 yuan of his income was withheld for his contributions to various projects this year, but that was 13 percent lower than last year. He added that he had harvested 33,000 jin of grain, or 2,300 jin per mu, on average, and the total output was 2,000 jin higher than that of a year before. He also told the general secretary that his life was quite good because he has raised some pigs and chicken and his wife is a teacher.

After looking at Ma's grain reserves, Jiang Zemin asked: "How is this year's income compared to that of last year?"

Ma Wangui replied: I have obtained an additional income of 900 yuan this year—400 yuan from higher grain output and 500 yuan from other business undertakings. But this year's income is 200 yuan lower than that of last year owing to the loss of 1,100 yuan from lower grain prices.

When he visited [variant version reads: ...other business undertakings. [new graf] When he visited.... deleting sentence] Liu Xugui's family, Jiang Zemin examined Liu's house inside and out. Liu said happily that his family produced 30,000 jin of grain this year, and his income from grain and other business undertakings exceeded 6,000 yuan, or some 800 yuan more than that of last year.

Stepping out of Liu's new, two-section house, Jiang Zemin realized the house was surrounded by trees. So he said to Liu: "I see you have planted many trees here. Trees can help freshen the air!"

When the villagers learned the general secretary was in their village, many people came to shake Jiang's hands. Liu's wife, grabbing Jiang's arm, said: "We are going to slaughter a pig tomorrow. Please stay here for another day!" But General Secretary Jiang Zemin bid goodbye to everybody and said with a smile: "I wish you even more prosperous days ahead!"

Wherever he visited, Jiang Zemin invariably asked the local cadres about whether they have the energy to lead agricultural production and whether they have any problems or suggestions.

According to Zhang Zhongxin, secretary of the Xiaogan prefectural party committee, and Weng Xingde, administrative commissioner of the prefecture, a great deal of money has been tied up in grain, and grain traders have suffered great losses; therefore, no one wants to take over this great burden. This, they said, is the greatest problem in rural areas.

Jiang Zemin said: "If the food problem cannot be properly resolved, food shortages can appear any time. Our party can never forget to take care of the food and clothing problems of the nation's 1.1 billion people."

Whether he was in Xiaogan, Jingmen, or Jingzhou, Jiang Zemin always discussed with the local cadres the issue of how to consolidate the fundamental status of agriculture

and arouse peasants' production zeal at a time when the traditional planned economy is going to be replaced by a socialist market economy.

Wang Shengtie, secretary of the Jingzhou prefectural party committee, said: "During the course of promoting economic growth, we must never weaken the concept that agriculture is the foundation. There is now a phenomenon; namely, whoever talks a little more about agriculture will be regarded as a conservative lacking an exploratory spirit. Jingzhou's experience shows that stable agricultural production will promote, and not weaken, industrial development."

Zhu Tongbing, secretary of the Jingmen prefectural party committee, told the general secretary that peasants are angry, complaining that the grass-roots cadres care only about planting and not harvesting. He said the peasants are resentful because their incomes are lower even though their output is higher. Describing the relationship between cadres and the masses as tense, he proposed that the cadre-masses relationship should be improved through consolidating the fundamental role of agriculture, stabilizing preferential policies for rural areas, and enlivening the distribution of agricultural goods.

Duan Yuanming, secretary of the Tianmeng municipal party committee, happily reported to the general secretary that his city would have paid up all the IOU's by New Year's Day. During the peak cotton harvesting period, the total value of IOU's issued by this renowned cotton producing city reached 222.72 million yuan. [the variant version deletes this paragraph]

Wherever he visited, Jiang Zemin stressed that, as far as people are concerned, food is the most important thing; agriculture is the foundation, we must give first and foremost priority to agricultural development; and enliven the rural economy in all sectors. He also urged cadres at all levels to protect peasants' initiative and provide them with more practical services.

After four days of in-depth investigation, Jiang Zemin's notebook was full of notes about agricultural development in various places, why peasants' incomes are lower despite higher output, essential measures for dealing with IOU's, peasants' hardships, grass-roots cadres' problems, ditties popular among the masses....

Following the investigation, Jiang Zemin was scheduled to chair a conference in Wuhan to discuss rural affairs in six provinces and to study problems relevant to agricultural production, rural areas, and peasants. The conference will also put forward ideas and measures for dealing with these problems.

The sun had set, and the sprawling Jiangnan plain was engulfed by dusk. The van with Jiang Zemin and his party on board still sped ahead....

Li Peng Visits Guilin, Ends Guangxi Tour

HK2812135992 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 23 Dec 92

[Report on Premier Li Peng's visit to Guangxi by GUANGXI RIBAO reporter (Wu Wenjia) and Guangxi People's Radio Network reporter (Zhou Wenli)—"Guangxi's Future"]

[Excerpts] Guilin, a tourist city known all over the world, was the last stop on Premier Li Peng's tour of Guangxi. Work occupied almost all his time.

On 8 December, on board a ship on the Li Jiang, the premier allocated time to listen seriously to reports by (Zhang Wenxue) and Yuan Fenglan, leaders of Guilin City. The two leaders asked the premier to let Guilin enjoy the preferential policies being enjoyed by open coastal cities so as to enable Guilin to develop rapidly, and to let Guilin become a state tourist resort. The premier listened to the reports on the one hand and held discussions with the persons in charge of the relevant State Council departments on the other. He expressed opinions of an intent nature on the issues raised by Guilin City, and asked the relevant departments to do follow-up work.

When they had finished their reports, (Zhang Wenxue) and Yuan Fenglan smiled with satisfaction, but when they looked at their watches, they discovered that it was almost 1300 and the premier and his entourage had not eaten lunch.

Shortly after 0800 on 9 December, Premier Li Peng arrived at a mud slope at the southern tip of (Gao Miao) Village in Liangjiang, 28 km to the west of Guilin, to inspect the planned site of Liangjiang Airport.

Guilin is a well-known tourist city in the world, and the current airport cannot meet demand. The premier has always pondered the problem of how to swiftly begin construction of Liangjiang Airport, which has been listed in the Eighth Five-Year Plan, and today, in order to solve the problem, he came to the spot. [passage omitted]

After inspecting the airport site, Premier Li Peng told the individuals in charge of the relevant state departments accompanying him and the leaders of the autonomous region and the city of Guilin that planes from this airport should be able to fly directly to foreign countries, and foreign planes should be able to fly here directly. He demanded clearly that construction should begin this year and that the airport be built by National Day in 1995. Under the premier's direct concern, funds for building the airport were also made available.

That afternoon, the premier and his entourage would fly back to Beijing. During his trip to Guangxi, the premier visited the three cities of Nanning, Beihai, and Guilin.

The premier said to leaders of the autonomous region, such as Zhao Fulin and Cheng Kejie: This time, I have visited some cities and villages and listened to reports.

Generally speaking, due to the reform, opening up, and implementation of the party's basic line and the spirit of Comrade Deng Xiaoping's important southern tour speech, Guangxi has experienced great changes and rapid development, and I am happy to see this. Guangxi is full of promise.

Talking about the guiding thought for development, the premier said: It is necessary to consider how building and developing the socialist market economy can be integrated with actual conditions in Guangxi. Guangxi is different from Guangdong in terms of conditions, degree of development of the commodity economy, and transport conditions; you should look at Guangxi's actual conditions when developing the socialist market economy, and you should have an economic development strategy that is suited to Guangxi's actual conditions. There has to be some depth, and we must not look at figures simplistically; efficiency occupies the first position. Strategically speaking, Guangxi should serve as the gateway to the sea for the southwest. Just as you said, you have the vast southwest behind and Southeast Asia in front of you. Before the Nanning-Kunming Railway opens, however, you cannot play your role as a thruway. Therefore, it is necessary to show concern for the building of the Nanning-Kunming Railway. [passage omitted]

Chen Xitong Addresses Jiusan Society Congress

OW2612091592 Beijing XINHUA in English 0848 GMT 26 Dec 92

[Text] Beijing, December 26 (XINHUA)—The Sixth National Congress of the Jiusan Society, one of China's political parties, opened here today.

The society was founded in 1945 and is composed mainly of senior and middle-level intellectuals engaged in science, technology, culture, education and medical and health work. So far there are 50,000 members of the society.

Zhou Peiyuan, chairman of the Central Committee of the Jiusan Society, said in his opening speech that the main task of the congress is to discuss the work report of the Central Committee, amend the constitution and elect the leading group for the society's next term.

Chen Xitong, a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), conveyed the CPC Central Committee's congratulations, which praised that the society has insisted on cooperating with the CPC and made great contributions to the revolutionary and construction causes of socialism.

Chen said that the Jiusan Society's suggestions, such as building an environmental protection and resource development zone in the upper reaches of the Yangtze River and revitalizing the economy in the poor areas in southwestern China, have been valued by the government. The society has created considerable social and

economic returns in providing scientific and technological services, supporting remote and poor areas and running schools.

He said the CPC Central Committee believes that the society will make full use of its advantages in the days to come and make a greater contribution to developing science, technology and education and revitalizing the economy in China.

Wu Jieping, managing chairman of the Presidium of the congress, presided over today's opening ceremony. More than 500 representatives are attending the five-day congress.

Peng Chong, vice chairman of the Standing Committee of the National People's Congress, Song Jian, minister of the State Science and Technology Commission, and other leaders were present at the congress.

Overseas Chinese Group Concludes Plenary Session

OW2612084492 Beijing XINHUA Domestic Service in Chinese 0936 GMT 22 Dec 92

[By reporter Ye Jundong (0673 0193 2639)]

[Text] Guangdong, 22 Dec (XINHUA)—The Fourth Plenary Session of the Fourth All-China Federation of Overseas Chinese ended here 21 December with a decision to add four members, two of whom were named Standing Committee members and one a vice chairman.

Zhuang Nanfang, chairman of the Fujian Provincial All-China Federation of Overseas Chinese; Liu Zhongqing, vice chairman and general secretary of the Gansu Provincial All-China Federation of Overseas Chinese; Su Chengyi, chairman of the Shanxi Provincial All-China Federation of Overseas Chinese; and Chen Binfan, secretary of the party organization of the All-China Federation of Overseas Chinese were chosen as members of the All-China Federation of Overseas Chinese. Among them, Chen Binfan and Zhuang Nanfang also were chosen as Standing Committee members. Chen Binfan was elected to the post of vice chairman of the All-China Federation of Overseas Chinese.

Formerly Banned Singer To Play in Beijing

OW2512070392 Beijing XINHUA in English 0606 GMT 25 Dec 92

[XINHUA "Feature"]

[Text] Beijing, December 25 (XINHUA)—Wearing a sweater and jeans, Cui Jian looks like an ordinary Beijing kid.

It is five days before the staging of his Beijing concert on December 28. The rock and roll star told XINHUA the show only follows the changes in the music circle and a further opening.

"The re-emergence in the capital city has a symbolic significance," said Cui, 31, whose stage appearances have been suspended in Beijing for two years.

"And there will be more chances for us to be made public. We have actually come out from the underground."

The controversial young man now lives together with his band in the Friendship Hotel. Media once described him as representative of grey culture—an apolitical and rebellious trend which began in the late 1980s in China.

But Cui insists that the existence of rock 'n' roll provides social balance.

The concert sponsor contacted Cui in September this year and officials in the city government approved the show in October.

"Music is merely music and art is merely art," says the singer. "We play for chance. We play for music."

Nevertheless, the idol who is admired by millions of fans expresses regret that China's music seldom competes on the market.

Like any of his former shows, the upcoming concert will be produced in the name of charity. Cui has agreed to donate the proceeds from the show to the China Cancer Research Foundation.

Mi Fushun, deputy-secretary of the foundation, said they chose Cui Jian for his influence. "And we feel worry-free that the crowds will maintain a quiet mood."

Cui's performance may be the climax of a series of fund-raising endeavors for the country's cancer patients.

Cui named his concert "Because My Disease Is Feeling-lessness"—the title of one of his popular songs. He said this demonstrates the activity's theme which aims at gearing the whole nation up for an anti-cancer campaign.

Each year 1.2 million Chinese people die of cancer. The toll has risen by 400,000 from the 1970s with more young victims.

The cancer foundation and Cui both expect the concert will bring a welcome social and economic result.

Wednesday [23 December] saw crowds milling around the Beijing Exhibition Hall Theater, haggling for Cui's tickets. Most were young men, with the occasional policeman on guard in the chilly wind to maintain order.

Sources said scalpers have demanded prices as high as 500 yuan (80 U.S. dollars)—five times the original price and two times the average monthly income of the Chinese worker.

Cui's earsplitting concerts always drive his fans wild, who wave hand-lettered slogans, hold up lighted candles and unnerve officials at the scene. But he plays down the incendiary effects of his music.

"No riot expected. I face a different audience today," Cui said expressionlessly when interviewed.

He notes wildness is the normal emotion in any rock 'n' roll performance.

Cui still holds the crown as the founder of Chinese rock 'n' roll music. However, new bands such as Beijing's Black Leopard, Tang Dynasty and Breathe have sprung up to challenge him.

Their tapes are well-sold in China together with those of their foreign masters, including the Beatles, the Rolling Stones, Talking Heads and Sting.

And more and more people think they are not so strange.

When being interviewed, Cui was advised by his agents to put on an overcoat. Cui refused.

"I prefer free style," he replied.

Deng South China Tour Voted Top 1992 News Story

OW2812100492 Beijing XINHUA in English 0928
GMT 28 Dec 92

[Text] Beijing, December 28 (XINHUA)—Editors-in-chief of China's national newspapers rated Deng Xiaoping's south China inspection tour boosting reform and development the first of China's top ten news stories for 1992.

The poll was sponsored by the Home News for Overseas Service Department of the XINHUA NEWS AGENCY. The department offered 18 domestic major events for editors-in-chief of 11 national newspapers to choose from.

China's top ten stories were rated as follows in accordance with ballots:

1. Deng Xiaoping started south China inspection tour from January 19, calling for further emancipation of the mind and acceleration of reform, opening and economic development. The Political Bureau of the Communist Party of China Central Committee convened its full session and discussed several important issues concerning China's reform and development between March 9 through 10. From then on, China's reform and opening entered into a new stage.

2. The 14th National Congress of the Communist Party of China, held in Beijing October 12-18, reiterating its basic line to persevere in economic development, reform and opening to the outside world, put forward the socialist market economy as the goal of China's economic restructuring, and elected a new Central Committee.

3. On April 3, the Fifth Session of the Seventh National People's Congress decided to build on the Yangtze river the Three Gorges project, the largest water conservancy project in the world.

4. The first mainland group of journalists, consisting of 18 people from 17 news organizations, departed on September 5 for Taiwan, making the first step toward two-way news exchange across the Taiwan strait.

5. Chinese sportsmen won 16 gold medals, 22 silver medals and 16 bronze medals at the 25th Olympics, which closed on August 10.

6. From July 23, China started to implement a regulation on transforming operational mechanism of the state-owned enterprises. The regulation stipulates that the state-owned enterprises enjoy 14 decision-making autonomies for production and business management.

7. Japanese Emperor Akihito visited China between October 23 through 28. This was the first Japanese emperor to visit China in over 2,000 years of exchange.

8. China established diplomatic relations with the Republic of Korea on August 24.

9. China's Long March carrier rockets succeeded in launching two Australian telecommunications satellites in August and December.

10. From April 1, China raised grain selling prices nationwide to achieve a balance between purchasing and selling prices in order to promote grain production and alleviate state financial burdens.

The 11 national newspapers participating in the poll were PEOPLE'S DAILY [RENMIN RIBAO], LIBERATION ARMY DAILY [JIEFANGJUN BAO], ECONOMIC DAILY [JINGJI RIBAO], ECONOMIC INFORMATION DAILY [JINGJI CANKAO RIBAO], GUANGMING DAILY [GUANGMING RIBAO], WORKERS' DAILY [GONGREN RIBAO], FARMERS' DAILY [NONGMIN RIBAO], CHINA YOUTH NEWS [ZHONGGUO QINGNIAN BAO], CHINA WOMEN'S DAILY [as received], PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE PAPER [as received] and the English-language CHINA DAILY.

All editors-in-chief chose the same first news item, but for varying reasons. Shao Huaze, editor-in-chief of the PEOPLE'S DAILY, said that Deng Xiaoping's remarks during his south China inspection tour answered the burning question of which direction China should take economically, causing worldwide attention. It was his remarks that boosted China's economic development.

Zhou Jianying, editor-in-chief of the ECONOMIC INFORMATION DAILY, said that Deng's remarks and discussion by the party's Political Bureau at its full session in early March had "a bearing on the future of socialism and the Chinese nation and strengthened China's determination to take the road of reform and opening to the outside world."

Speaking about significance of the 14th party congress, Xu Zhuqing, editor-in-chief of the CHINA YOUTH NEWS, said that the meeting not only laid a base for the

second strategic goal for China, but also demonstrated the vitality of socialism with Chinese characteristics, evoking a strong response both at home and abroad.

Science & Technology

Hong Kong Paper on Reporting of Satellite Launch

HK2812033092 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English
28 Dec 92 p 2

[Article from the "Beijing Briefing" column by Geoffrey Crothall: "Beijing Gives Truth the Rocket in a Desperate Bid To Save Face"]

[Text] Two weeks ago, China's state run television accused the SOUTH CHINA MORNING POST of "Sheer fabrication with ulterior motives" in its reporting of China's plans to buy an aircraft carrier.

While resisting the temptation to make reference to pots and kettles, I would like to point out that on December 22, just one week after its condemnation of this paper, the same television station carried a report on the launching of the Australian communications satellite Optus B2, which was distinctly economical with the truth, to say the least.

The main evening news bulletin on China Central Television (CCTV) that Tuesday evening showed extensive footage of the previous day's "perfect" launch of Optus B2 on board its Long March carrier rocket.

The three minute report featured shots of company representatives from Optus, the American satellite maker, Hughes, and China's Great Wall Industries Corp congratulating each other on a successful venture.

"This is the best Christmas present we could have given our American and Australian friends," the vice-president of Great Wall Corp, Mr Chen Shouchun, was quoted as saying.

What CCTV neglected to mention however was that several hours prior to its evening news broadcast, Optus had publicly announced that the B2 satellite had been written off as lost.

Not only did CCTV neglect to mention the loss of the US\$138 million satellite, it went so far as to claim the vehicle had been placed in the correct orbit.

But as Optus' public affairs manager, Mr David Foster, pointed out: "We can't say it is in the correct orbit because we don't know where it is."

A spokesman for Hughes Space and Communication Co later claimed a video of the launch showed the satellite apparently exploded before reaching its final orbit.

This brought the first public admission in the official Chinese media that something had gone wrong, although it was a very guarded admission.

The New China [XINHUA] News Agency [NCNA] quoted Mr Chen the next day as saying there had been some "misleading" reports.

"The data we have fully proves the whole process of the operation of the carrier rocket was normal, with all the parameters meeting the required standards," NCNA quoted Mr Chen as saying.

If, as Mr Chan suggests, his company was completely blameless in the loss of the satellite, then there would seem no reason why the official media should not even mention the space craft's disappearance.

But the Chinese Government had so much riding on the launch, it could not even allow a mistake by one of its foreign partners to detract from the success of the mission.

Following the highly public failure in March this year of the Optus B1 to get off the ground, China's national pride was very much at stake on the launch of B2.

To admit that even the smallest defect had tainted what the government had clearly already decided would be a perfect launch, would be a major loss of face.

But what this small chapter of mis-information demonstrates more than anything else is how tightly controlled the official Chinese media still is.

Despite growing economic freedom in China, the dissemination of information is still largely determined by the Communist party.

When the truth does not match up to the party's expectations, it is simply ignored or doctored in order to meet official requirements.

CCTV's reporting of the Optus B2 launch was essentially no different in style and methodology from the "Big Lie" put out by the official media in the immediate aftermath of the June 4, 1989 massacre in Beijing.

Expert on State, Prospects of China's Rockets

HK2912014092 Beijing ZHONGGUO XINWEN SHE
in Chinese 0724 GMT 23 Dec 92

[By staff reporter Wang Jiabin (3769 0163 2430): "Famous Rocket Expert Tu Shoue on Present Situation and Prospects of China's Long-Range Carrier Rockets"]

[Text] Xichang, 23 Dec (ZHONGGUO XINWEN SHE)—Tu Shoue, 75, is adviser to China's Aerospace Ministry and chief technical adviser in the Long March 2E cluster rockets. Working in Xichang for a long time, he is self-possessed and full of confidence. Even when the first launch attempt of an Australian satellite failed in March, he remained calm.

When interviewed by this reporter, Tu Shoue, an important founder of China's long-range carrier rocket technique and a member of a scientific division of the Chinese Academy of Sciences, said: The delivery ability and technological level of China's Long March rocket series are among the world's best, about on a par with France after the United State and Russia. In the next few years, China's rocket launching ability to put satellites in a synchronous shifting orbit [tong bu zhuan yi gui dao 0861 2975 6567 4448 6510 6670] will be improved to a fairly great extent.

Tu Shoue described the prospects of China's rockets in very positive terms. He said: The successful second launch of the "Long March 2E" rocket further established China's Long March rockets' credibility and reliability. The "Long March 2E" now has the capacity to send an effective payload of 9.2 tonnes into low-earth orbit. However, China's existing carrier rockets' ability to put satellites into synchronous shifting orbit is not powerful enough. To enable the "Long March 2E" to put satellites into synchronous shifting orbit, it is necessary to add an upper stage [shang mian ji 0006 7240 4787] to its second stage. When the "Long March 2E" has put an effective load into low-earth orbit, the upper stage will send the satellite into synchronous shifting orbit. The China Research Institute of Carrier Rocket Technology is developing a solid rocket known as EPKM [expansion unknown] as the upper stage. If the EPKM is added to the "Long March 2E," the rocket will be able to put a satellite weighing 3.37 tonnes into synchronous shifting orbit. In the meantime, the institute is studying ways to integrate the "Long March 2E" with third-stage liquefied hydrogen/oxygen engines of the "Long March 3A." The new rocket, known as LM-2E/HO or LM-3B, will be able to put a satellite weighing 4.8 tonnes into synchronous shifting orbit. It is expected the new rocket will be used for commercial purposes in 1995. At that time, China will be able to rationally match its series of Long March rockets with different delivery capabilities.

Tu Shoue said: The Australian satellite recently launched by the "Long March 2E" was a communications satellite of the new generation. As revealed by a market survey and the relevant prediction, the weights of satellites of various countries will not increase much for some time to come. He claimed that in the next 10 years, China's Long March rockets will meet different demands of different clients from various countries.

Tu Shoue believed that China will have the following tasks to carry out to promote technological development of its carrier rockets. One, to improve the rocket's propellant. The propellant currently used by China's rockets is poisonous. Given financial conditions, non-poisonous propellant should be used. Such a change will take six to seven years. Two, if China planned to launch spaceships and build space stations, the carrier rocket should be able to send an effective load weighing about 20 tonnes into low-earth orbit. This would call for developing rockets with greater driving force. Tu Shoue continued: China can surely achieve this judging from its

technological level. But whether we will set this task will be determined by the state's financial resources and needs.

Liquid Rocket Propellant Center Set Up

HK2812142092 Beijing XINHUA Domestic Service in Chinese 0941 GMT 19 Dec 92

[By correspondent Li Wei (2621 1792) and reporter Cao Guanghui (2580 0342 2547)]

[Text] Changsha, 20 Dec (XINHUA)—Jointly sponsored by the University of Science and Technology for National Defense Space Technology Department and Ministry of Aeronautics and Astronautics Industry Base No. 067, the China Joint Research Center for Liquid Rocket Propellant Technology was recently set up in the University of Science and Technology for National Defense. Experts and professors from the base and institutions of higher learning discussed a major plan for developing liquid rocket propellant technology and held their first academic symposium.

Liquid rocket propellant technology is an important power device in aeronautics. With the development of science and technology, major contemporary scientific research subjects can no longer be accomplished by one or several scientists or specialties. It is increasingly advancing in the direction of high-grade, precision, and advanced technology straddling specialties and disciplines. Therefore, the association of institutions of higher learning and scientific research units is of far-reaching significance. As an important base for developing, manufacturing, and testing China's liquid rocket engines, Base No. 067 has made major contributions to China's aeronautics undertaking in the past decades. The liquid rocket engine specialty of the University of Science and Technology for National Defense Space Technology Department has trained a large number of undergraduates, master's degree holders, and postgraduate students, and attained many scientific research achievements. Among similar specialties in China's institutions of higher learning, it has the longest history of development and is the strongest in terms of teaching and scientific research staff. For years, the two units have effectively cooperated in the training of skilled personnel and in scientific research and academic exchanges.

New Satellite Control Station Construction Begins

OW2512195592 Beijing XINHUA in English 1451 GMT 25 Dec 92

[Text] Beijing, December 25 (XINHUA)—Beijing satellite control station, a key project for the Dongfanghong 3 Communication Satellite scheduled for launching at the end of the 1993, starts construction in northwest Beijing today.

The new station, which involves 118 million yuan of investment for the first phase construction, will be used in accepting and processing various data sent by the new

satellite. It will also monitor operation of the satellite and transmission quality when the satellite is in orbit.

Besides serving the Dongfanghong 3 Satellite, the new station will be expanded later to control and monitor three to four synchronous communication satellites, officials from the Ministry of Posts and Telecommunications, which is in charge of the construction, said.

As one of the country's key construction projects between 1991 and 1995, the station imports major facilities from the United States and is technically advanced and highly automated the official said. The station will be partly used in October 1993 and be ready by early 1994, he added.

Safety Device Mounted on Rocket Carrier

HK2512134692 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 16 Dec 92

[Text] Comrade Liu Fengming, Electronics Ministry [as heard] 10th Research Institute deputy director, who has long been involved in researching and developing our country's rocket payload system, stated with full confidence in an interview with a station correspondent that the new-generation rocket outer-layer safety control system device, which was a result of their research and development, had been mounted on the Long March II cluster-rocket to provide high-precision measurement, tracking and control services for Australia's communication satellite launch.

The 37-year-old Electronic Industrial Ministry [as heard] 10th Research Institute was our country's first research and development institute to begin research and development work on measurement systems on astronautic and aeronautic spacecrafts. Since the founding of the institute, it has successively undertaken research and development of various measurement and control devices for the Long March rocket series, and provided 100 measurement, control and tracking services for domestic and international satellites such as Dongfanghong 2, Asia 1, Austrasat First-Class, and missiles, all of which scored the good result of achieving a 100 percent success rate.

The Long March II [word indistinct] rocket responsible for the first AustraliaN satellite launch this August was fitted for the first time with the institute-researched and developed new-generation rocket outer-layer safety system, which made the launch a complete success. As a result, the system was awarded the second-class state scientific and technological progress medal.

According to deputy director Liu Fengming, an elite contingent sent by the 10th Institute has already arrived at the Xichang Satellite Launch site and has mounted an outer-layer safety system device inside the Long March II [word indistinct] rocket chamber. Repeated tests on the device showed that the device was in topflight condition. The director told the correspondent that the second Austrasat's launch was the 101st astronautic

mission that featured the institute's products. The products will provide the launch of the second Austrasat with high-precision [word indistinct] space coordinates and orbit-entrance [word indistinct] data.

Jiang Zemin, Li Peng Meet Space Industry Workers

*OW2712151092 Beijing XINHUA in English
1447 GMT 27 Dec 92*

[Text] Beijing, December 27 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China (CPC), and Premier Li Peng met and had pictures taken with a group of meritorious workers from the space industry and representatives from related units.

Attending the meeting were Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao, who are all members of the powerful Standing Committee of the Political Bureau of the CPC Central Committee.

Premier Li Peng made a speech at the meeting, saying that with the spirit of self-reliance, hard working and concerted efforts, China has made marked achievements in the development of space industry.

On behalf of the party Central Committee, the State Council and the Central Military Commission, Li extended congratulations, gratitude and cordial greetings to all those who have made contributions to the country's space industry.

In his speech, Li recalled the great achievements in the space industry made by the country's scientists, calling them the pride of the party and the people.

He encouraged the personnel in the space industry to make even bigger achievements and win even bigger honour.

Also present at the meeting were some other party and government leaders including Ding Guangen, Wen Jiabao, Zhang Zhen, Chen Muhua, Song Jian and Gu Mu.

Aerospace Ministry Awards Aeronautics Scientists

*HK2412034692 Beijing CHINA DAILY in English
24 Dec 92 p 3*

[By staff reporter: "Top Scientists in Aeronautics"]

[Text] The Ministry of Aerospace Industry has singled out 10 scientists as the top achievers in aeronautics. Each scientist was awarded 100,000 yuan (about \$17,500).

This is the first time that experts in the industry have been honoured with such a major prize.

The awardees include specialists in plane design, engines, airborne radar, physics and shore-defence missiles.

Minister Lin Zongtang revealed at yesterday's ceremony that a special fund will be established so that a number of experts in the industry will be awarded every two years.

Some awardees said they would donate the prize money for the industry's development, but Lin said that donations will not be encouraged because the recipients deserve the awards.

Tsung-dao Lee, a Nobel Prize winner in physics and professor at Columbia University, sent congratulatory letters to each of them, and said he hoped they would make more contributions to the development of Chinese aeronautics.

In the past four decades, more than 13,000 planes, both civilian and military, were manufactured.

But the minister said that China is still far behind the developed countries, particularly in engines, air-borne equipment and radar.

Company Develops New Plane Testing System

*OW2612032092 Beijing XINHUA in English
0300 GMT 26 Dec 92*

[Text] Shanghai, December 26 (XINHUA)—China has developed a new system to test airplanes in simulated flight, which will ensure flight security in civil aviation in the future.

The flight test systems China used to produce could only check parts of a plane in simulated flight. The new system, developed by the Shanghai Xinhua Aviation Science and Technology Company, can test the whole plane, filling a gap in this field.

According to experts, the hi-tech system has adopted the most advanced devices and has been developed with the most sophisticated design. It can put the whole plane in a state of suspension and make experiments on the plane's fatigue, strength and lifetime under the influences of height, speed and weather.

The system is capable of collecting data at 100 thousand bits per second, far exceeding the equipment China used to import. This latest achievement in plane testing will have a great impact on the development of new types of planes and flight security in China, experts say.

Starting from next year, China's Civil Aviation System will use this new technology to test planes before every flight to ensure security.

Detector To Help Develop Ocean Mineral Resources

*OW2812140392 Beijing XINHUA in English
1352 GMT 28 Dec 92*

[Text] Shanghai, December 28 (XINHUA)—An underwater detector capable of carrying out surveys at the sea to a depth of 6,000 meters, got approval from specialists here today.

Developed by the Submarine Project Research Institute at Shanghai's Jiaotong University, the submersible will greatly help in the exploration of deep sea mineral resources.

Equipment to be carried will include video recorders, still photography and sonar gear.

Last year the United Nations accepted the China Ocean Mineral Resource Research and Development Association as a pioneer investor in exploitation of deep sea mineral resources and agreed China to open up the resources of multi-metal nodules in a area of 150,000 square meters in the Pacific Ocean. Thus, China became the fifth pioneer investor in exploitation of deep sea mineral resources in the world following India, former Soviet Union, France and Japan.

Economic & Agricultural

Commentary on World Economy, PRC Development

HK2312063992 Beijing LIAOWANG in Chinese No 44, 2 Nov 92 p 40

[“International Commentary” by Yang Jiaji (2799 1367 7535): “The World Economic Situation and China's Economic Development”]

[Text] The world economy is developing slowly now, the growth of traditional industries is at a low level, various kinds of contradictions and frictions are interlocked, and the formation of regional economic groups is gathering momentum. The world economic pattern is in a transition period of changes and grouping, but a new economic order has yet to take shape. To hold a favorable position in the future new world pattern, some countries are vigorously developing their high scientific and technological as well as capital- and technology-intensive industries, giving impetus to economic transformation and upgrading, and conducting competition aimed at augmenting their own comprehensive national strength.

The United States and some Western countries have fallen into economic recession one after another since the year before last, and have so far been weak in recovery. The economic growth rates in Germany and Japan have notably declined, and the unemployment problem in Britain and France is serious. In the CIS, production in various countries has fallen by nearly 20 percent, and in the East European countries the economy has met with numerous difficulties after changing track. The economy has taken a slight turn for the better in the developing countries, but they still find it difficult to free themselves from the predicament. The East Asian countries and regions, which are, after all, the most energetic area in the world, alone have seen relatively rapid economic development.

This international situation is favorable to China's reform and opening up. At present, China is in the

crucial period of reform, opening up, and socialist modernization. Over the past 14 years of reform and opening up, China's economy has developed comparatively rapidly, and the face of China has changed a great deal. Today, after entering the 1990's, China's reform, opening up, and economic construction will enter a new development stage, encouraged by Deng Xiaoping's remarks during his south China tour and the 14th CPC National Congress. China is quickening the pace of reform, expanding the areas for opening to the outside world, and a new omnidirectional open pattern covering the areas along the coast, the Chang Jiang, the borders, and provincial capitals has begun to take shape. The scope of openness has expanded gradually from industry and tourism to trade, banking, communications, and other fields of tertiary industry. In the first half of this year alone, foreign capital amounting to nearly \$5 billion was utilized. China will further improve the investment environment for foreign businessmen, changing the preferential treatment for foreign investment from the advantages mainly given to various regions to those given to various industries, and from the provision of preferential taxation to the creation of a favorable investment environment. China will further reform the import and export management structure, narrow the scope of license control, and increase the transparency of import management in accordance with the international trade standards set by the GATT, so as to accelerate the development of import and export trade and the enhancement of the economic results of domestic production. In addition, reform of the management structure of banking and foreign exchange will be carried out to create conditions for deliberately practicing a sound system of free exchange.

Throughout the world economic development has slowed at present, but it is expected to recover gradually next year or the year after next. In the 1990's, the economic growth rate of the Western developed countries will remain at about 3 percent, that of the developing countries will be 4 percent, and that of the East Asian countries will remain at approximately 6 percent. As for China, the economic growth rate will probably be 9 percent or even higher. In the 21st century, the world will usher in a new period of economic, scientific, and technological development. There is an exceedingly vigorous development momentum for information technology, as new technology is enabling productive forces to become increasingly information-based. Information-based production, in turn, enables various essential elements of production to repeatedly, promptly, and flexibly select their best combination. A more information-based economy is buffeting the traditional economic structure and the mechanism of regulation and control.

We should pay close attention to the following trends of modern world economic development:

First, we must attach great importance to information in our economic development, reform, and opening up. Only by paying serious attention to information can we

dash toward the world and build China into an economically highly developed country. In the current economic development, owing to the increasing manifestation of specialized production in high-tech economy, what manufacturers require in a country are no longer the lowest costs, but the "best low prices" in the world. Nowadays, interest rates, exchange rates, share prices, tax rates, and so on, without exception, possess a global nature. With the economy become diversified, there is increasingly more information circulating among individuals, enterprises, and various organizations, so that coordination can be maintained.

Second, we should pay attention to developing and applying science and technology and closely integrating high science and technology with traditional industries in economic development. High science and technology are playing an enormous role in traditional trades such as industry, agriculture, transport, medical care, and others. High science and technology mean specialized production, sophistication, and reduced waste in raw and semifinished materials, so that products will become miniaturized and the costs of storage and transport will be lowered by big margins. The functions of intellectual investment, scientific and technological development, and organization and planning will become more and more important in the course of production. A study conducted on economic conditions shows that if an enterprise has not made considerable technological progress, even though the net investment in the factory's equipment has doubled, its actual yearly income will only increase by less than half a percentage point, but its annual earnings ratio on research and development spending will be as high as 50 percent. In some countries, the proportion of expenditure on physical labor in overall production costs has dropped to less than 10 percent.

It is necessary to take education as the foundation to bring up large numbers of new scientific and technological personnel, carry out reform and readjustment in the structures of education and of science and technology, and rapidly transform the achievements in science and technology into those in production. The new type of economy needs more and more well-trained managers and workers. Meanwhile, the application of high-tech products, the extensive application of integrated-circuit and feedback technology in various products, the memory functions used in various products from automobiles to microwave ovens, and the technology of program control and simple intellectual faculties in turn call for consumers to possess higher educational standards.

Third, the internationalization of economy is developing rapidly. The economic growth and the new output modes have impelled markets in various countries to advance toward internationalization. Since reform and opening up, China's economy has depended on the international economy to a much greater degree. The total volume of import and export in 1991 exceeded 31 percent of total

industrial and agricultural output value, and it is anticipated that the total volume of foreign trade this year will exceed \$150 billion. The transnational corporations, banks, and stock exchanges have raised unprecedentedly the indivisibility of the world economy. Today, one-third of the gross world product, two-thirds of trade volume, and 90 percent of direct international investment are controlled by about 1,100-odd transnational corporations. The proportions of the service sectors in the industrial structures of various countries have increased sharply, so that issues such as trade in technology, intellectual property rights, trademarks, patents, immigration, and outflow of educational investment results have increasingly aroused people's attention. The world economy is also changing from an economic era in which stress is laid on the natural resources and manufacturing sectors of individual countries to a global economic era in which stress is laid on information resources and service sectors.

Fourth, state intervention has been repeatedly intensified, and economic diplomacy is in vogue, which involve trade in the form of foreign aid, investment, and even private capital. But the state exercises even more strict control over foreign exchange rates and technology transfer. According to incomplete statistics, governments now intervene, in varying degrees, in more than 75 percent of nongovernmental international trade. The "stock crisis" in 1987 and the recent "crisis of the European exchange rate system" have demonstrated the precipitous volatility in international finance, and the mandatory international economic and financial coordination mechanism with one country as the center has too many problems to tackle. Moreover, government diplomatic policy on individual countries has also been fully embodied in foreign trade relations. In future, the process of economic internationalization will be one of keen competition among enterprises and among countries. With a sense of crisis and of urgency, we must seize the current opportune moment and exercise the role of diplomacy in "blazing a trail and navigating a course" to expedite China's reform and opening up in an effort to enable the economy to scale new heights as quickly as possible.

Tian Jiyun Talks About Expanding Foreign Trade

OW2812055892 Beijing XINHUA Domestic Service in Chinese 0849 GMT 23 Dec 92

[By RENMIN RIBAO reporter Pi Shuyi (4122 2885 5030) and XINHUA reporter Zhang Yi (1728 3015)]

[Text] Beijing, 23 Dec (XINHUA)—During his speech at today's discussion meeting attended by directors of economic and trade commissions and directors of economic and trade departments or bureaus from throughout the country, Vice Premier Tian Jiyun said: To achieve the goal of having comfortable living standards in the near future and reaching the level of moderately developed countries by the middle of the next century, we must accelerate the pace of reform and

opening up and make great progress in the work of foreign economic relations and trade.

Tian Jiyun said: The 14 years of reform and opening up have witnessed China's progress in foreign economic relations and trade—the speed and scale of which are unmatched in China's history. Such a record is also rarely seen in the world's history of economic and trade development. The great progress in foreign economic relations and trade has greatly pushed forward the development of the domestic economy, improved China's technological standard, improved product quality, and accelerated scientific and technological progress. Meanwhile, it also has improved and enriched people's livelihoods.

Tian Jiyun pointed out: Without great progress in foreign economic relations and trade, it is impossible to realize the second- and third-phase strategic goals of developing the national economy. To accelerate economic development, it is far from enough to merely depend on domestic markets and resources. It is imperative for us to develop domestic and international markets by relying on both domestic and foreign resources.

Tian Jiyun urged the economic and trade front to adapt itself to the new situation of building a socialist market economy by continuously deepening the system of foreign trade and gradually transforming it into a market operation mechanism. He said: I do not agree with the idea of discarding existing foreign trade enterprises and establishing new ones with a different system. With their efforts over the past several decades, China's foreign trade companies have trained a large number of foreign trade personnel, established various foreign trade channels, and created a fairly high reputation that is hard to come by. Foreign trade enterprises should renew their thinking, focus on one speciality, and supplement that speciality by engaging in diverse economic projects. They should pay attention to economic efficiency, develop cooperation in various forms, and carry out the policy of combining industrial production with foreign trade so as to survive and progress among competitors.

Tian Jiyun pointed out: There exists a great market potential in Latin America, the Gulf states, the CIS states, and Southeast Asia. Great efforts should be made to open new markets and achieve the goal of diversifying export markets.

While talking about how to utilize foreign funds, Tian Jiyun pointed out that it is necessary to attract foreign multinational companies and big enterprises to invest in China on some large-scale capital- and technological-intensive projects by taking advantage of our tremendous domestic market, so as to improve our utilization level of foreign funds.

Li Lanqing, minister of foreign economic relations and trade, presided over today's meeting.

Overseas Investment Continues To Rise

HK2512043292 Beijing CHINA DAILY in English
25 Dec 92 p 2

[By staff reporter: "Overseas Fund Tide Still Rising"]

[Text] Overseas investment in China has skyrocketed in the first 11 months of this year as the country continues on its liberalization policy course.

Officials from the Ministry of Foreign Economic Relations and Trade (Mofert) report that foreign investment promised to China during that period was \$46 billion, to be pumped into 40,291 new projects.

Actual input of foreign capital surged 150 percent more than last year's same time period—to \$8.34 billion.

Officials attribute the strong increase to the further opening of the domestic market to foreign investors and the powerful performance of China's economy.

They also note that foreign investment this year has begun to move into railways, airports, harbours, commerce, real estate, consulting and finance sectors.

Impressive gains were also seen in the first 11 months in China's technology trade which totalled \$7 billion.

Experts, Others Discuss Deng's Economic Ideas

HK2512133692 Beijing RENMIN RIBAO in Chinese
17 Dec 92 p 1

[By Huang Meilai (7806 5019 0171) and Yang Shaoping (2799 1421 1627): "Over 100 Experts, Scholars, Entrepreneurs, and Some Veterans of the Red Army Meet in Sichuan's Guangan County To Discuss Deng Xiaoping's Economic Ideas and Theories"]

[Text] The RENMIN RIBAO Theoretical Department, the RENMIN LUNTAN Editorial Department, and the Nanchong Prefectural CPC Committee jointly held a seminar on Deng Xiaoping's economic ideas and theory in Guangan County, Sichuan Province—the hometown of Deng Xiaoping, chief architect of China's reform and opening up, 12-13 December. More than 100 experts, academics, and representatives of entrepreneurs attended, and some veteran Red Army men participating in the activities to mark the 60th anniversary of the entry into Sichuan by the Fourth Front Army of the Chinese Workers' and Peasants' Red Army and the founding of the Sichuan-Shaanxi Revolutionary Base were also present at the seminar.

The participants feel that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the latest achievement of the integration of Marxist-Leninist basic tenets with contemporary China's reality and the distinguishing feature of the times, hence it is Marxism in contemporary China. Studying and publicizing this theory and using it to arm the entire party and guide our work are the fundamental guarantee for

wresting victories in reform, opening up, and socialist construction. The participants maintained that Comrade Deng Xiaoping's economic ideas and theory are important part and parcel of his theory of building socialism with Chinese characteristics. It is the inheritance of economic ideology and theories founded by Marx, Engels, Lenin, and Mao Zedong; the application of the theories under the new historical conditions; and an enrichment and significant development of the Marxist economic theories. Deng Xiaoping's theory is both extensive and incisive with exceedingly rich content. For instance, the exposition of the innate character and special features of socialist society; the theory of socialist market economics; the exposition of the aim of reform being to emancipate and develop productive forces; the scientific thesis of science and technology being primary productive forces; the overall strategic idea of the three stages of the modernization drive; the exposition of seizing opportunities to develop ourselves to scale a new height every few years; the ideology of opening to the outside world in all directions and developing a foreign-oriented economy as well as the policy decision on building special economic zones; the basic criteria of "three benefits" for judging the success and failure of reform, opening up, and all fields of endeavors; the exposition of the dialectical relationships between politics and economics, and between stability and development, and so on. All this has exceedingly enriched the treasure of the Marxist economic theories, and is the most valuable wealth of the Chinese people. The experts and academics who attended the seminar maintained that they, being theoretical workers, have the necessity and responsibility to penetratingly study and summarize Comrade Deng Xiaoping's rich economic ideas and theory, to rewrite the existing textbooks on political economics with the findings of their research, and to conduct propaganda and education in a complete and accurate way. The entrepreneurs and comrades responsible for economic leadership work attending the seminar thought that to establish and perfect the socialist market economic structure and quicken the pace of reform, opening up, and modernization in future, it is still necessary to completely and accurately grasp the essence of Comrade Deng Xiaoping's economic ideas, further emancipate our minds, and take real and firm control of our work.

Li Peng Discusses 'Breaking' of Debt Chains

OW2612030392 Beijing XINHUA Domestic Service in Chinese 0934 GMT 25 Dec 92

[By RENMIN RIBAO reporter Bao Yujun (0202 5148 6874) and XINHUA reporters Chen Yun (7115 5366) and Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 25 Dec (XINHUA)—The work of breaking debt chains across the country has come to an end. The State Council has held a grand meeting to sum up the work and commend the advanced units. Premier Li Peng issued certificates of merit to 17 advanced units in connection with the work.

The 17 commended provinces, autonomous regions, municipalities and cities with provincial-level economic decision-making authority are Tianjin, Hebei, Inner Mongolia, Liaoning, Jilin, Shanghai, Jiangsu, Zhejiang, Anhui, Hubei, Hunan, Guizhou, Shaanxi, Shenyang, Dalian, Harbin, and Chongqing.

Premier Li Peng spoke after issuing the certificates. He said: With the efforts made by all regions and departments, the work of breaking debt chains across the country which began in the second half of 1991 in the charge of Comrade Zhu Rongji has been completed. We have achieved the result of clearing 4 yuan of debt with 1 yuan of input. Now the work of breaking debt chains across the country has come to an end. From now on, enterprises should assume responsibility for repaying their own debts, and the state will no longer lend them money for debt repayment. If new debts are incurred by investing in local fixed assets, the local government will assume responsibility for liquidating them. The local government will be to blame if it fails in liquidating the new debts.

Zhu Rongji, vice premier and head of the leading group for clearing up "debt defaults" under the State Council, summed up the work of breaking debt chains across the country (summary to be transmitted separately). Responsible persons of all provinces, autonomous regions, municipalities, and cities with provincial-level economic decision-making authority attended the meeting.

Hubei To Cash 'IOU Notes' Before Spring Festival

HK2512102692 Beijing RENMIN RIBAO in Chinese 23 Dec 92 p 1

["Letter From Reporter" by staff reporter Gong Dafa (7895 6671 4099): "Actively Raise Funds To Help Peasants Overcome 'Difficulty in Sales'"]

[Text] Rural areas in Hubei, which were seriously hit by floods last year, have achieved the objective of "restoring the economy in one year after being afflicted by natural disaster" set by the provincial party committee, and the principal crops, including grain, cotton and others, reaped bumper harvests which were seldom seen in history. At present, it is precisely the peak season for purchasing farm produce. When gathering news in Hubei's rural areas, this reporter discovered that peasants are once again plagued by the difficulties in selling grain and cotton due to the serious shortage of procurement funds and the impeded channels of sales. Last year, the per-capita income of peasants throughout the province was 80-odd yuan less than the nationwide average because of the disaster, but the gap will probably widen this year.

According to data provided by an authoritative department, procurement funds amounting to 9.38 billion yuan will be needed for the province to purchase 4.5 billion kg of grain, over 10 million dan [500 million kg] of cotton,

and over 1 million dan [50 million kg] of oil in autumn and winter this year. Before the autumn harvest, the provincial party committee and government started to raise and transfer funds. Later, they repeatedly called standing committee meetings of the provincial party committee as well as provincial telephone conferences, instructing the principal leaders of the party and government at all levels to personally attend to this matter. To pool procurement funds, the provincial government practiced a strict responsibility system under which the missions of fund raising were distributed to various departments at various levels. Nevertheless, they will at most raise 6.2 billion yuan by the end of this year, with a dynamic shortage of 3.28 [as published] billion yuan. Owing to the difficulties in transferring and selling grain and cotton, and the failure of timely recovery of sale proceeds, only 32.7 percent of the fund raising missions were fulfilled by mid-November. By the end of October, cash paid for the purchase of grain and cotton only accounted for 51 and 26 percent respectively with the money owed by "IOU notes" exceeding 1.1 billion yuan. In Tianmen City, the "very best" cotton producing area well-known in the country, 950,000 dan [47.5 million kg] of cotton were stored in warehouses by early November, but only 5.8 million yuan were paid in cash, and "IOU notes" exceeded 200 million yuan. In Jinzhou Prefecture, because of the tight procurement funds, the fall of grain prices, the failure to carry out the cotton incentive policy, and so on, peasant per-capita income across the prefecture decreased by 80-odd yuan, which led to the decline of banks' capacity to pool funds. As a result, the per-capita deposit in Hubei's rural areas is just a little more than one-half of the country's average. Rural markets also showed signs of sluggishness.

Difficulties in selling grain and cotton have sent an erroneous signal to peasants. A few of them thought that since grain and cotton were more than needed, it was unnecessary to grow these crops in the coming year. In the autumn sowing this year, progress was slow and quality was not as good as before in quite a few localities. As has been found out, peasant enthusiasm in buying pesticide and fertilizer fell noticeably. According to a survey on 1,142 peasant households in Zhongxiang city, 365 of them wanted to return their farmland under the responsibility system, accounting for 31.8 percent of the total, and to return arable land covering an area of 941 mu, accounting for 14.1 percent of the total area under contract.

These issues have aroused serious attention of the provincial party committee and government in Hubei. The provincial party committee again issued an urgent circular recently calling for all localities to think highly of agriculture, conscientiously help peasants increase income, resolve actual problems, and strive to cash all "IOU notes" before the Spring Festival so that peasants will be able to spend an exultant and auspicious New Year.

Commentary on Agriculture Work

HK2512102492 Beijing RENMIN RIBAO in Chinese
23 Dec 92 p 1

[Commentator's article: "Agriculture Should Not Be Pushed Aside"]

[Text] During the peak season of purchasing agricultural and sideline products this year, peasants were once again bedeviled by difficulties in selling grain and cotton due to the shortfalls of procurement funds. This condition emerged in Hubei as well as in other provinces and autonomous regions. Leading cadres of the party and government at all levels should pay close attention to this matter and adopt appropriate measures to help grass-roots units do well the work of purchasing agricultural and sideline products.

In recent years, the party central authorities and the State Council always showed great concern for this matter and put in all-out efforts to solve the problem of funds for purchasing agricultural and sideline products. This year, the State Council issued a circular a long time ago and allocated 80 billion yuan as procurement funds. The funds would not have caused a problem according to the anticipated volume of purchase but for the fact that only one-third of the funds remained when they came to the grass-roots units. Instead of merely chanting the empty slogans of attaching importance to agriculture and protecting peasant interests, we must make up our minds to solve the problem of holding up procurement funds or diverting them to other purposes. The instructions of the State Council should be carried out to the letter.

In many places, projects are being established and the economy is being developed. A cadre generally hopes to bring benefits to the place in which he is a responsible person. This has given no cause for much criticism. However, it is necessary to act according to his ability in doing good things, combining the subjective wishes with the realistic possibilities, and having a good grasp of the "degree of priority" rather than dismantling the east wall to patch up the west wall. At present, whether in cities or in rural areas, there are a lot of things urgently waiting for attention. Hence, we must deal with each case in order of importance and urgency. Some of our cadres wish very much they could make faster strides to accomplish all that they wish to do in one to two years so that in the face of money shortages, they set their eyes on peasants, and squeeze funds allocated for agriculture, thus resulting in holding up or diverting procurement funds for other purposes. Peasant enthusiasm is certainly dampened if the farm produce they turn out with a whole year of toil cannot be sold for money. This way, the position of agriculture as a foundation is also weakened. This practice is therefore extremely ill considered.

Peasants are unable to obtain what is due to them, while the expenditures unjustifiably imposed on them are constantly increasing. In some places, the growth rate of peasant burdens has exceeded that of their income. The per-capita money retained for the collective handed over

by peasants came to 29.80 yuan last year, up 85.1 percent as compared with that in 1988. Moreover, according to a follow-up survey conducted by a relevant central department on 25,000 households for fixed observation across the country, the per-household expenditure as apportioned was 49.30 yuan last year, up 90.9 percent as compared with 1988. Judging from most localities, either the retained or apportioned money this year is more than last year. Some peasants who have just shaken off poverty and resolved the problem of having enough food and clothing are again plagued by the heavy burdens. In some individual places, the onerous burdens have outweighed peasant tolerance and elicited dissatisfaction.

To lighten peasant burdens and increase their revenue, it is all the more necessary at present to do properly the work of purchasing agricultural and sideline products, and to refrain from the practices of refusing purchases, lowering grades and prices, and paying by "IOU notes." We must not on any account treat it lightly as it concerns immediate peasant interests and productive enthusiasm, the reputation of the party and government, and the overall situation of the country's stability.

Li Peng Holds Videoconference With Localities

OW2912123092 Beijing XINHUA Domestic Service in Chinese 1045 GMT 29 Dec 92

["Feature" by Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391), and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 29 Dec (XINHUA)—It was an important meeting convened in a new way.

The topic of discussion was how to stabilize agricultural development—a discussion between Premier Li Peng and other leading comrades on the one hand, and leaders of various provinces, autonomous regions, and municipalities under the central government's direct jurisdiction on the other.

The main meeting place was in the State Council's first meeting hall in Zhongnanhai.

Branch meeting places were located in the nation's 30 provinces, autonomous regions, and municipalities under the central government's direct jurisdiction.

Although the attendees were in various parts of the country, modern means of telecommunication brought them together.

This was the first time that an important national meeting has been convened through the support of television monitors and telephones. In the main meeting place there were three videocameras and 15 television monitors, and attendees in the main and branch meeting places could talk to one another through microwave transmission.

"Hello, do you have to issue IOU's in your province? Can you pay up?" Li Peng, talking into a microphone and a TV monitor, asked Jilin Governor Gao Yan when Gao finished his speech.

"We need 6.5 billion yuan to pay all the IOU's. We already have 5.8 billion yuan. We are making every effort to have the money by the Spring Festival."

The governor's reply in faraway Jilin was clearly transmitted to the main meeting hall.

"Then you are 700 million yuan short. Do you have problems getting the money you need?"

"Yes, we hope we can have support from banks."

Then, Li Peng asked Li Guixian, state councillor and governor of the People's Bank of China, who was sitting nearby: "Well, can you give him some help?"

Li Guixian promptly pledged that his bank would provide the support.

After Jiangxi Governor Wu Guanzheng finished his speech, Li Peng said: "The financial burdens of Jiangxi's peasants are quite heavy now, accounting for 8 percent of their income. Do you have the determination to lower that to under 5 percent?"

Wu Guanzheng replied: "Premier, we will follow your instruction and take resolute and effective measures to reduce the peasants' financial burdens to under 5 percent."

Gansu Governor Jia Zhijie was the last to speak at his branch meeting hall.

Li Peng asked him: "Do you have to issue IOU's in Gansu?"

Jia Zhijie replied: "We have issued some, but we will pay up as quickly as possible."

"Good!" Li Peng said with satisfaction. Then he asked: "Can you make sure that there will be steady and high output next year?"

Jia Zhijie replied: "Gansu's grain output has increased rather quickly over the past two years, and the province expects a good harvest this year. Gansu's grain output is likely to exceed 14 billion jin next year."

The meeting, which started at 1500 [0700 GMT], ended at 1630 [0830 GMT].

Prior to the closure, Vice Premier Zhu Rongji, who chaired the meeting, made a brief speech.

He said: "Leading comrades of all provinces, autonomous regions, and municipalities under the central government's direct jurisdiction must act in accordance with the instructions of the CPC Central Committee and the State Council, go deep into the realities of life to

conduct investigation and study, solve the problems at grass-roots units, and firmly implement this meeting's guidelines...."

Official on Changing Business Administrative Functions

OW2812103692 Beijing XINHUA Domestic Service in Chinese 1204 GMT 21 Dec 92

[By reporter Fu Gang (0265 0474)]

[Text] Beijing, 21 Dec (XINHUA)—At a national work conference on industry and commerce administration held today, Liu Minxue, director of the State Administration for Industry and Commerce, called on all industry and commerce administrative organs to do away with outdated management methods and practices that are incompatible with the development of a socialist market economy; and to shift the focus of work to standardizing the registration of various primary markets, and to participating in the nurturing of markets and in the supervision and standardization of market management.

Liu Minxue said: We should change the current situation of excessive restrictions on the registration of enterprises, gradually eliminating unwarranted restrictions and trade license systems. We should ultimately realize a system under which units sponsoring or individuals raising funds for the establishment of enterprises apply directly to competent authorities for registration. In market supervision, we should tighten the examination of applicants' qualifications for setting up markets, and should register and supervise exchange venues of various commodity markets, paying particular attention to standardizing market management activities. In conducting economic inspections, we should eradicate the previous practice of making a concentrated effort to finish an inspection quickly, cut back "campaigns" and "special projects," and shift the focus of work from cracking down on speculation and profiteering to fighting unlawful competition and monopoly.

Discussing the individual and privately owned sectors of the economy, Liu Minxue said: We have seen sound development in the individual and privately owned sectors of the economy. As far as this issue is concerned, we should continue to emancipate our minds, relax policies, and create the conditions for fair competition by the individual and privately owned economic sectors. We should further relax restrictions on the qualifications of employees of these sectors, and on the scope and mode of their management, and we should simplify their registration procedures. We should also actively help individual industrial and commercial units and privately owned enterprises develop tertiary industries, an export-oriented economy, and businesses dealing in processing and assembling materials supplied by foreign firms and of compensatory trade. In the central and western regions—especially in the old revolutionary base, ethnic minority, frontier, and poor areas—we should rely on

the individual and privately owned sectors as the pillar for casting off poverty and becoming well off.

Courts Founded in Development, Free Trade Zones

OW2312143692 Beijing XINHUA in English 1324 GMT 23 Dec 92

[Text] Beijing, December 23 (XINHUA)—The establishment of courts in China's mushrooming economic, technological development and free trade zones is now top on the agenda of its Supreme People's Court.

Last September, two courts were set up in the economic development zones in Dalian and Yantai, both of which are port cities in east China.

Some 10 economic development zones, high-tech sector zones and free trade zones around the country are applying for the establishment of courts presently.

The State Council approved by the end of last month the setting up of 20 economic development zones in coastal cities, 27 high-tech sector zones in technology and talent intensive districts, and 10 free trade zones.

The local governments have approved much more than these, as enterprises in these zones will enjoy preferential policies, and be more attractive to foreign investments.

Xiang Hua, a senior official with the Supreme People's Court who is in charge of the court establishment in zones, said that compared with other administrative areas, more joint ventures and high-tech enterprises are gathered in development and free trade zones, and the market economy there is more active, and more contradictions and conflicts take place there too.

"In recent years, cases concerning production, management, distribution, contracts, intellectual property and civil affairs are increasing drastically in the zones," Xiang said.

The woman official holds that this situation requires the establishment of special judicial organs there to provide legal service and guarantee, so as to improve the soft environment for investment.

At present, economic cases take up the lion's share of those occurring in the development and free trade zones.

However, cases which take place in the zones are now mainly handled by the local courts where the zones are located or their branches.

At the same time, the comparatively independent administration of the zones has brought about a series of difficulties for the local courts in handling the cases that occurred in the zones, and many cases cannot be dealt with immediately.

At the working conference of the national people's courts, some 270 presidents of local courts have given a

heated discussion to the temporary regulation on establishing judicial organs in development and free trade zones.

Sources said that the temporary regulation, which has given a detailed designation on the function of courts in the zones, the approval procedure, and the requirements for establishment, will soon be put into enforcement after some necessary revisions.

Article Urges Quality Guarantee System

HK2912123192 Beijing RENMIN RIBAO in Chinese
9 Dec 92 p 2

[Article by Xu Zhijian (1776 1807 1017): "Build a Societywide Quality Guarantee System That Is in Keeping With the Market Economy"]

[Text] The Strategic Orientation of China's Quality Guarantee

Quality is the eternal theme of economic work. The slogan "quality first" raised in the early 1950's and its contemporary equivalent "quality is life" both indicate the degree of importance that society at large attaches to quality. But this understanding of quality's importance has not been entirely realized in practice.

Since the reform and opening up, economic development has been very fast, the market has been flourishing, and abundant commodities of all kinds have been produced, yet product quality has always failed to measure up to people's expectations. For some years, because the market mechanism is underdeveloped and false, fake, and substandard commodities have kept coming out despite repeated banning, the problem of quality has become more outstanding. Consumer complaints are heard everywhere and poor quality has caused appalling losses. What is the problem? If one says that understanding is inadequate, designs and technologies are substandard, control is slack, or no vigorous efforts have been made to curtail the production of fakes, one does have a point. However, if the administration-planned economic mode is exclusively adopted, then pressure from higher-level authorities and from outside has to be strengthened as the predominant measure, to the neglect of quality monitoring governed by the inherent law of quality control. No one can say that this is not a major reason for these problems with quality. In order to strengthen quality control, the former Soviet Union set up a state quality and standardization committee at the ministerial level, its industrial departments and local governments had well-developed quality control systems, and it had 52 state-managed standard measurement centers and 172 state monitoring laboratories nationwide. In 1987, the system of state inspection and acceptance of product quality was installed, with state quality inspectors stationed in thousands of large and medium enterprises. But what came out of it? The poor quality of products became a chronic disease plaguing the economic development of the former Soviet Union.

The system of socialist market economy requires a matching quality guarantee system. Quality is the most fundamental element in the production and circulation of commodities. Quality guarantee is an enterprise behavior. In bringing enterprises and products into the market, it is naturally also necessary to bring the work on quality guarantee into the market. The quality guarantee system of developed industrial countries integrates quality guarantee with the market system and operates according to the law of market economy. We should boldly introduce and assimilate their experiences and practices in light of our national conditions and make active efforts to cultivate a new quality guarantee system in the context of socialist market economy.

Basic Features of the Quality Guarantee System in Developed Industrial Countries

1. Enterprises, as legal entities, are independent and self-managed, operate without legal bounds, organize production according to standards and technical regulations, subject themselves to social supervision, and embody the rights and duties of both buyers and sellers.
2. In the intense competition, enterprises strive to improve and upgrade the mix, functions, reliability, styles, exterior, packaging, and sales service of their products by referring to market forecasts and centering round the needs of their customers and consumers. Enterprises have well-developed internal quality guarantee systems, and invite guest quality experts to give advice, diagnose problems, and offer improvement proposals.
3. In their production and marketing operations, enterprises conscientiously seek third-party notarization which is market-oriented to guarantee their product quality and establish their reputations.
4. Congresses or relevant government departments authorize, in a supervisory way, nongovernmental professional bodies and inspection organizations which specialize in providing services for enterprises and the market to offer professional technical service, be objective and impartial, and consistently abide by the standards and technical regulations provided in the contracts as well as the requirements for satisfying examinations. The objective is to safeguard the normal operation of market order.
5. Attention is given to the training of professionals and technologists and the fostering of fine professional ethics.

The quality guarantee system is mainly implemented jointly by nongovernmental professional bodies, inspection organizations, and the large numbers of enterprises under the macroscopic guidance and authorization of the state. Its organizational system is of a social and open nature. It forms a social service, supervisory, and management system that covers all trades. In order to reap maximum profits, enterprises must guarantee the quality of their products according to the standards, technical

regulations, and examination procedures. Guaranteeing and improving the quality of products is also the inherent motive force of enterprises' development.

Nongovernmental professional and technical bodies, technical inspection organizations, and quality experts are all oriented to the market, serve the market, and develop according to market needs; serve the buying and selling enterprises and the entire process of circulation, are responsible to both parties in the capacity of a third party, and are responsible to society; and win social recognition and develop themselves through fine service and good reputation, and gradually establish their authoritativeness. These are all products of the development of commodity economy and the market.

The third party certification system is independent of both the producing enterprises and the consumers, and is also independent of retailers and wholesalers, thus constituting an important safeguard for domestic and international trade transactions. Britain was the first to use a quality mark (the Kitemark), in 1903. Later, developed industrial countries adopted the certification system one after another. For instance, America's Underwriters' Laboratories (UL), founded in 1894, adopted a certification mark for UL products. In 1927, Germany began to use the DIN quality mark. Britain's Lloyd's Register (LR) and the International Wool Society (IWS) are known across the world. They have been playing a positive role in the development of the capitalist market economy and have helped promote the development of international trade.

Make Active Efforts To Build a Quality Guarantee System Which Is in Keeping, and Converges Well, With Socialist Market Economy

At the present critical moment when China's economy is fast developing, moving toward the international market, and the system of socialist market economy is being cultivated and improved, we should boldly discard the system and practice that we are used to. In other words, we should change the administrative constraining mechanism which operates according to certain individuals' will in a top-down manner and makes too much direct intervention under the system of planned economy, and establish a social constraining mechanism which suits the objective law governing the market economy.

In the process of transforming the functions of government departments, it is imperative to establish a new quality guarantee system which integrates the market mechanism with administrative measures. What are called administrative measures refer to taking account of the reality of our country; developing the system of quality regulations; and implementing and supervising the implementation of quality regulations, necessary state supervision and spot checks, and the orientation of the goals, principles, and policies of quality control.

To build socialist market economy in our country and push ahead with the transformation of the enterprise

operating mechanism, the key is to truly return the right of production and operation to enterprises. In order not to interfere in enterprises' productive and operational activities, government departments must take substantial steps to change their functions. Quality guarantee is one of the productive and operational activities and, therefore, the right and responsibility in this regard should also be given back to enterprises. Government departments should not interfere in concrete matters, let alone a number of departments at more than one level interfering simultaneously.

As far as the system of quality guarantee is concerned, the management of government departments must change from the customary predominance of administrative command and direct management to the predominance of macroscopic control and indirect management. An important means of macroscopic control and indirect management is supervision. Technical supervision is an important component of the social supervisory system. Macroscopic control is mainly aimed at creating conditions for enterprises to attach importance to quality and strengthen their quality management, establishing an incentive mechanism, mobilizing the built-in motive force that makes enterprises continually improve quality, and creating pressure from the objective environment. Indirect management is mainly aimed at effective social service, supervision, and organizational building. It is also expected to make possible the relevant propaganda, education, organization, and management through nongovernmental professional and technical organizations, inspection organizations, and a contingent of experts. The work in all these respects is very objective, concrete, and practical, and much of it is unfamiliar to us, making it necessary for us to restudy and explore step by step.

The current problem is that most of the nongovernmental organizations and mass professional and technical organizations in China are developed from administrative organizations. Moreover, they are often given certain administrative and supervisory functions and have the tendency of substituting government interference or certain mandatory administration. The inspection organizations are largely affiliated to groups that represent certain interests, thus justifying doubts about their independence, objectivity, impartiality, and authoritativeness as a third party. Because of the widespread traditional concept which attaches greater value to administrative management, the building of a contingent of experts has been very weak and has not been given adequate attention by society at large. Much of the trade management in China is direct supervision and control of an administrative nature. In addition, enterprises are subject to the interference of many "in-laws" and all forms of protectionism. These are problems that need to be studied and solved in the transformation of government departments' functions and macroscopic management. In 1988, the National People's Congress promulgated the "Enterprise Law." This year, the State

Council promulgated "Regulations on the Transformation of Operating Mechanisms of State-Owned Industrial Enterprises." But considerable difficulties have been encountered in the course of implementation. The main reason is that the objective law governing the market economy has not been fully understood and traditional concepts have not been truly changed. As a result, the transformation of government functions and the reform of the management system have been delayed and the transformation of operating mechanisms has been lagging behind. As far as quality guarantee is concerned, the operating mechanism of administrative management has great inertia which is even showing signs of further aggravation. In the context of emphasizing quality and strengthening management, the lack of coordination in the quality guarantee system is even more outstanding.

If these problems are not solved through substantial measures in ideology and practice, it will not only make it hard to reverse the present situation of poor product quality in China and undermine the cultivation of the new mechanism and order of the socialist market economic system, but also seriously impede the liberation and enhancement of China's social productive forces. When the government departments have changed their concepts, changed their functions, strengthened macroscopic management, and truly relaxed the management over enterprises' economic activities, including the management over quality guarantee, they will not only reduce interference in enterprises at many levels, but also have enough energy to do well many things that they should do.

Recently, the "State Council Resolution on Further Strengthening the Work on Quality" said: "It is necessary to further improve and reinforce the stipulations on quality in relevant economic contracts, strengthen quality arbitration, vigorously develop third party notarization and authorized inspection, and actively carry out certification of product quality." This is a very important measure for building a societywide quality guarantee system that suits China's market economy. The establishment of the quality guarantee system is connected with the development of the market. The experience of developed industrial countries in cultivating and developing their markets is very valuable to our economic construction. The quality guarantee system which took them about 100 years to build is worth our studying, researching, and selectively copying. We should take advantage of the "newcomer effect" without repeating their spontaneous process of development. In the meantime, we should give play to the superiority of our socialist system, handle things according to the objective law governing market economy actively and on our own initiative, and strive to build China's societywide quality guarantee system well.

Consumers' Group Fights Against 'Shoddy' Goods

HK2512041892 Beijing CHINA DAILY in English
25 Dec 92 p 1

[By staff reporter He Jun: "Campaign To Combat Fake Goods Renewed"]

[Text] The China Consumers' Association (CCA), a non-governmental organization which looks after the interests of the 1.1 billion Chinese consumers, has vowed to redouble its efforts to drive counterfeit and shoddy consumer goods from the country's marketplace in the upcoming year.

Wu Gaohan, head of CCA, said at a news conference yesterday in Beijing that the organization will also try to seek an early implementation of the first Consumer Rights Protection Law, which has undergone its third revision pending final approval by the National People's Congress.

The new law is expected to be finalized by the National People's Congress within 1993, Wu said.

To improve its service to Chinese consumers, CCA is planning to establish a data bank of high-quality products and a national information network of product surveys and analyses.

With the backing of the media and governmental organs, CCA initiated the drive against shoddy and fake products since last year. The drive soon spread across the whole country, gaining the support of millions of Chinese people and dealing a heavy blow to producers and dealers of inferior or counterfeit goods that had drawn intense complaints from consumers.

Now the CCA is playing a very important role as a leading protector of consumers' rights and watchdog of product quality in the country.

"What we need now is the backing of a law to ban the shoddy and fake goods from returning to the market once and for all," said the CCA official.

CCA also hopes to guide the people into a more reasonable style of consumption and will "declare war against an unhealthy trend in consumption which has fuelled the emergence of shoddy products," Wu said.

He explained that some people don't know how to make good purchases and go in for superficial extravagance, especially on the occasions of weddings, funerals and festivals.

A national investigation will begin in 1993, focusing on the "style of consumption," in order to encourage reasonable and proper consumer practices, he said.

Handling consumers' complaints is still the main job of the CCA and its nearly 2,400 branches throughout the country, Wu said.

From January through September, the CCA and its branches heard about 238,000 complaints of shabby and fake products and poor services, including the mail, communications, entertainment, tourism and housing construction.

The national consumer body claimed that 95 percent of such complaints have been settled with the help of appropriate government agencies and producers. More than 72.2 million yuan (\$12 million) in economic losses was recovered for consumers.

The CCA also offers information on cases of fake goods to the government, resulting in the confiscation of such illegal products by authorities, and the collection of 8.1 million yuan (\$1.35 million) in fines from producers and dealers involved.

Wu estimated that more than 300,000 such cases were heard in 1992, with more than 100 million yuan (\$16.7 million) in losses recovered.

Progress in Offshore Oil Development Reported

*OW2412133192 Beijing XINHUA in English
1252 GMT 24 Dec 92*

[Text] Guangzhou, December 24 (XINHUA)—China has made rapid progress in offshore oil prospecting, according to Gong Zhaisheng, senior geologist for the China National Offshore Oil Corporation.

Speaking at a work meeting in Guangzhou, he said the corporation had discovered oil fields with verified reserves exceeding 90 million tons and 300 billion cubic meters of natural gas. Total offshore oil reserves have amounted to 3.8 billion tons.

Gong said the Yingge Haiya 13-1 oil well, the country's largest offshore field in the western part of the South China Sea, is at the development stage.

Meanwhile the corporation has discovered natural gas in the field, and located a further three oil and gas bearing structures in the Western Bohai Sea.

Gong added that progress has been made in evaluating and sinking six offshore oil wells.

Li Peng Signs Decree for Savings Regulations

*OW2812131992 Beijing XINHUA Domestic Service in
Chinese 0956 GMT 28 Dec 92*

[Text] Beijing, 28 Dec (XINHUA)—On 11 December, Premier Li Peng signed PRC State Council Decree No. 107, announcing that the "Regulations on Management of Savings" had been approved by the 97th Executive Meeting of the State Council, that they were promulgated at that meeting, and that they will go into effect as of 1 March 1993.

The "Regulations on Management of Savings" contain 40 articles in seven chapters. The regulations are designed to encourage people to save, to protect the

legitimate rights and interests of savings account holders, and to strengthen the management of savings. The regulations stipulate that all organs engaging in savings business and individual savings account holders in China must abide by these regulations; that the state protects individuals' ownership of their legitimate savings deposits, as well as their legitimate rights and interests; that no units or individuals are allowed to transfer public funds to savings deposits in an individual's name; that, except for organs engaging in the savings business, no units or individuals are allowed to run savings businesses; and that the People's Bank of China [BOC] is responsible for the national management of savings.

At the time that these regulations go into effect, the "BOC Regulations Governing Savings Deposits," which were promulgated in 1980 by the BOC, will be annulled.

Song Ping at Engineering Association Inauguration

*OW2912102492 Beijing XINHUA Domestic Service in
Chinese 0822 GMT 22 Dec 92*

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 25 Dec (XINHUA)—China's engineering consultative circles have their own professional organization. The establishment of the China Engineering Consultative Association in Beijing today marked another important step taken by China's engineering consultative businesses on the way to progressive development and expansion.

Comrade Song Ping attended the inaugural meeting of the association.

It was learned that modern consultative businesses have a history of 100 years or more, and engineering consultation was the first in operation. China's independent engineering consultative industry has developed through absorbing foreign experiences in construction and management, since the policy of reform and opening up was launched. Currently, a nationwide framework of engineering consultative services has taken shape. Various kinds of engineering consultative organizations have conducted feasibility studies for a large number of construction projects, drawn up initial design papers, and offered consultative services. They have provided consultative services in making plans for professional and regional development, carrying out important and special research into economic construction, and others.

As a link between the government and its members, on the one hand the China Engineering Consultative Association will act as an adviser and assistant to competent authorities in coordinating and administering the engineering consultative industry; and on the other hand, represent and safeguard the legitimate interests of its members. Under the current situation in which the engineering consultative industry is turning to the market in an all-around way, the association will

emphatically do good work in cultivating and developing an engineering consultative market, and assisting competent authorities in creating an environment favorable to invigorating and developing engineering consultative units. Its main responsibilities include: Assisting competent authorities in making laws governing engineering consultative businesses; helping the implementation of policies and measures concerning accelerating the development of tertiary industries in the country; arranging the professional training for engineering consultative personnel; and accelerating the build-up of information networks for engineering consultation, and promoting international exchanges.

Tian Jiyun Writes Inscription for Free Trade Zone

OW2712064892 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 20 Dec 92

[By Xu Yangwen; from the "News" program]

[Excerpts] With the close attention paid by the people across the province, the Zhangjiagang Bonded Zone, currently the most open area in China, was established in Jiangsu today. [passage omitted]

Party and state leaders Tian Jiyun, Li Lanqing, Peng Chong, and Fei Xiaotong sent inscriptions and congratulatory messages for the celebration activity. Attending the ceremony were: Zhao Yundong, deputy director of the State Council's Special Economic Zones Office; Wu Naiwen, deputy director of the General Administration of Customs; (Lian Tianjun,) vice minister of foreign economic relations and trade; Ji Guobiao, vice minister of textile industry; Jiangsu provincial leading comrades, including Chen Huanyou, Han Peixin, Ji Yunshi, and Luo Yunlai; and representatives from political, industrial, business, and trade circles at home and abroad. A ceremony to sign contracts for the first 21 investment projects in the bonded zone was also held today.

Li Peng, Zou Jiahua Inscriptions for Power Plant

OW2712075692 Beijing Central People's Radio Network in Mandarin 1030 GMT 22 Dec 92

[By station reporter Liu Zhi; from the "National Hookup"]

[Excerpt] The number one generating unit of the Tianshengqiao second-grade hydroelectric station, a key state construction project, was formally shunted and put into operation today. The State Council sent a congratulatory message. Li Peng, Zou Jiahua, and Qian Zhengying wrote inscriptions, highly appraising the important role of the Tianshengqiao power station in revitalizing the economy in southwest China and in easing the power shortage in south China by implementing the policy of transmitting western electricity to the east. They also spoke highly of the outstanding contribution by the first corps of the armed police hydroelectric troops through eight years of hard efforts to overcome tremendous

difficulties and accomplish the construction assignment. The Tianshengqiao second-grade hydroelectric station is located at the lower reaches of the Nanpan Jiang in the border area between Guangxi and Guizhou. [passage omitted]

Li Peng Opens First Enterprise Bank

OW2812063692 Beijing XINHUA Domestic Service in Chinese 1423 GMT 22 Dec 92

[By Liu Puquan (0491 3184 3123)]

[Excerpts] Beijing, 22 Dec (XINHUA)—Huaxia Bank, the first bank set up by Chinese industrial enterprises, went into business at the Shoudu Iron and Steel Corporation today. Premier Li Peng cut the ribbon for the inauguration of the bank.

Prior to the opening, Li Peng, Qiao Shi, Tian Jiyun, Zou Jiahua, Bo Yibo, and other leading comrades wrote inscriptions for the bank. [passage omitted]

Among those who attended the inaugural ceremony were Beijing Mayor Chen Xitong, member of the Political Bureau of the CPC Central Committee; State Councillor Li Guixian, governor of the People's Bank of China; Metal Industry Minister Qi Yuanjing; and representatives from banking institutions in Japan, the United States, Britain, Hong Kong, and some 40 other countries and regions.

Farmers Protest Tax 'Burden' Imposed by CPC

HK2912122092 Hong Kong AFP in English 0739 GMT 29 Dec 92

[Text] Beijing, Dec 29 (AFP)—Farmers in northeastern China launched a fingerprint campaign to protest excessive fees and taxes levied by local authorities, the Economic Daily reported Tuesday [29 December].

Peasants in an unnamed county of Heilongjiang province affixed the fingerprints of 744 residents on a letter to the Chinese Communist Party Central Committee complaining about their tax burden.

"The letter of more than 8,000 characters long with 6-1/2 pages thickly dotted with fingerprints seriously tells us that farmers cannot endure this excessive burden," the newspaper said. "Some farmers have come into difficulties in production and in their lives, and even more farmers are beginning to worry about their future," it said.

In 1991, farmers nationwide were required to hand over 64.9 percent of their income to the local authorities in the form of taxes and fees, the newspaper said. The letter was sent in February, but was not reported until after General Secretary Jiang Zemin said at the weekend that the government must improve the lives of farmers if it was to guarantee China's stability.

The party chief called on governments at all levels to reduce farmers' financial burden following a four-day inspection tour of Hubei province.

Drought in 1992 Affects 13 Million Ha of Farmland

OW2412142392 Beijing XINHUA in English
1408 GMT 24 Dec 92

[Text] Beijing, December 24 (XINHUA)—About 13 million hectares of 26 million hectare drought-hit farmland in China suffers a drop of at least 30 percent in grain output this year, a water conservancy official said here today.

Wang Shouqiang, vice-minister of water conservancy, said at a press conference today that the damage caused by floods is relatively small, and that about 5.33 million ha of 13 million hectare flood-hit farmland resulted in a decrease of at least 30 percent in output.

Wang said nationwide water conservancy construction projects have been underway since the autumn. By mid-December of this year, the projects helped increase irrigated farmland by 280,000 ha, and 320,000 hectare water-logged farmland have got rid of water-logging, he noted.

In addition, the projects also solved water shortage for about 3.4 million people and 2 million cattle and goats, Wang said.

State Council Forbids Cultivated Land Misuse

OW2412130192 Beijing XINHUA Domestic Service in Chinese 0127 GMT 22 Dec 92

[Text] Beijing, 22 Dec (XINHUA)—The State Council General Office issued a circular recently strictly forbidding localities from leaving arable land set aside for development zones and urban development unused.

The circular says: Currently, localities have set aside lands for development zones or urban development but have not utilized or fully utilized them, leaving the lands unused and causing huge waste. The people's governments at all levels must pay close attention to it.

The circular points out: The recent State Council "Emergency Circular on Strictly Banning Indiscriminate Occupation or Misuse of Cultivated Land" provides specific provisions for land use for all kinds of development zones and urban development. Localities should, in accordance with the circular's guidelines, strictly control the number of development zones, and strictly enforce approval procedures for lands for development zones and urban development, particularly when cultivated land is involved. Cultivated land designated for development zones and urban development—if it has not gone through the approval procedures as required by law, is unable to meet the requirements for such procedures, and has remained unused—shall be, without exception, returned to the former rural contractors for

farming. There must be no delay so that the farmers will not miss the farming season. As for cultivated land that has gone through the approval formalities but will not be used in the near future, the local people's government, after consultations with the land user, should, as a general principle, let the collective from which the land in question is requisitioned to continue assigning it to households for farming. Cultivated land that has been left undeveloped for two years after acquisition of its use rights, shall be returned to the local people's government to be given back to the peasants for farming, in accordance with the relevant laws and policies. The cultivated land in designated basic farmland protection zones and major vegetable plots in the suburbs of cities and towns should, in principle, not be ceded. Exceptions for special needs should be brought under strict control. Compensation shall be paid in proportion to the amount of land used in accordance with the "Regulations Governing Lands Returned for Farming."

The circular stresses: The people's governments of the provinces, autonomous regions, and municipalities should, in accordance with the circular's guidelines, strengthen management on land leased for development zones and urban development, and draw up, in line with local conditions, concrete regulations banning misuse of cultivated lands. Earnest efforts should be made to organize, during the winter-spring period, a review of the use of leased arable land and submit a report on results of the review, progress in dealing with land misuse cases, and suggestions to the State Council.

Tian Jiyun Discusses Harnessing Huai He

OW2812115092 Beijing XINHUA Domestic Service in Chinese 1033 GMT 21 Dec 92

[By RENMIN RIBAO reporter Ling Zhijun (0407 1807 6511) and XINHUA reporter Zhao Peng (6392 7720)]

[Text] Beijing, 21 Dec (XINHUA)—State Council Vice Premier Tian Jiyun today said: Work on harnessing the Huai He and Tai Hu has yielded initial results, and this work will enter a crucial period next year. All localities and concerned departments should show greater concern for the overall situation and should unite more closely and work hand-in-hand to accelerate the work.

Tian Jiyun made these remarks at the first meeting of the State Council's Leading Group for Harnessing the Huai He and the Leading Group for Harnessing the Tai Hu, which closed today. Responsible individuals from six provinces and cities in the Huai He and Tai Hu basins, from the Ministry of Water Resources, and from other relevant ministries and commissions, summed up the past year's results in harnessing the Huai He and Tai Hu and studied the organization of future work.

Water Resources Minister Yang Zhenhuai gave a report. He said: Over the past year and more, with the common efforts of the six provinces and cities along the Huai He and in the Tai Hu area, important progress has been made in carrying out backbone projects for harnessing

the Huai He and Tai Hu. The state and local authorities have invested a total of 1.67 billion yuan and have moved 170-million cubic meters of earth and stone. The Taipu He, the Wangyi He, the drainage works south of the Hangjia Hu, and the waterway to direct water from the Huai He to the Chang Jiang have yielded partial results since they were brought under control. Concerned localities have worked in a spirit of teamwork in harnessing the Huai He and Tai Hu. With the effective mobilization and organizational work by concerned governments at various levels, a good atmosphere has been formed in which the entire society has supported the work in harnessing the Huai He and Tai Hu; the masses have enthusiastically invested in the work and contributed labor; and concerned localities have raised funds from various sectors and through various channels, thereby ensuring the smooth proceeding of large-scale work in harnessing the Huai He and Tai Hu.

In his speech, Tian Jiyun pointed out: The State Council's idea of further harnessing the Huai He and Tai Hu centers on the following: initial results should be achieved during the Eighth Five-Year Plan period in harnessing the Huai He and the work should basically be completed during the Ninth Five-Year Plan period. Work in harnessing Tai Hu should be basically completed during the Eighth Five-Year Plan period. Currently, the major task in harnessing the Huai He is to ensure good work in opening new outlets, in moving back dikes, and in increasing flood-discharge capabilities in the upper and middle reaches. We need to increase by 2,000 cubic meters per second the flood-discharge capabilities of the river courses east of the Zhengyangguan. During the Eighth Five-Year Plan period, we should complete work on rebuilding the Shimantan Reservoir and on constructing the Yangzhuang flood-delaying project. In the lower reaches, we should increase flood-discharge capabilities by 5,000 cubic meters per second by repairing and strengthening waterways that direct

water from the Huai He to the Chang Jiang, as well as by carrying out projects to divert water from the Huai He to the Yi He. We should concentrate efforts on building the (?Huaihongxin He) project. Also, the work on the major project for diverting water from the Yi He, Si He, and Shu He to the east and south should start in full scale. In harnessing Tai Hu, currently we should continue to concentrate on the opening of the Wangyi He and Taipu He, on the construction of the drainage works south of Hangjia Hu, and on the building of the round-lake dike. Work on opening the Wangyi He and Taipu He is scheduled to be completed by 1994.

Tian Jiyun said: Some crucial backbone projects for harnessing the Huai He will be launched in full scale next year, and work in all key projects in the Tai Hu basin will be expedited. Work on harnessing the Huai He and Tai Hu will enter a crucial stage. Therefore, governments in all localities should further strengthen leadership, attach great importance to the work, set up powerful organizational and command systems, properly coordinate the efforts of various sectors, and join forces in supporting water control work. All relevant departments should, as they have always done, continue to support the work of harnessing the Huai He and Tai Hu. In carrying out water control work, all localities should show greater concern for the overall situation; be more understanding of each other; be more tolerant; and oppose selfish departmentalism, which shows concern only for one's own unit, department, or locality. Specifically, no departments will be allowed to shift their troubles onto others. Governments at various levels should take resolute measures to stop attempts seen this year in some localities to blindly reclaim low-lying lands surrounding lakes. Tian Jiyun stressed: Harnessing the Huai He and Tai Hu is a pressing requirement for carrying out reform, opening up, and economic construction. Governments at all levels should mobilize the masses to work hard and in unison to successfully accomplish this task.

East Region

Anhui Congress Standing Committee Meeting Ends

OW2812133092 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 20 Dec 92

[From the "Provincial Hookup" program]

[Text] The 34th meeting of the Seventh Anhui Provincial People's Congress Standing Committee closed yesterday. The meeting adopted a resolution on convening the First Session of the Eighth Anhui Provincial People's Congress in Hefei on 30 January 1993. It also adopted "Interim Procedures of Anhui Province for Implementing the Organic Law of Village Committees" and a decision on revising the "Procedures of Anhui Province for Implementing the Land Administration Law"; and appointed and removed judicial and procuratorial personnel.

During the joint meetings and group discussions over the past few days, committee members examined and discussed reports submitted by the provincial people's government on the implementation of the "Regulations Concerning the Transformation of the Operational Mechanism of State-Owned Industrial Enterprises," the "Forestry Law," and the "Environmental Protection Law." They held that the province, which has made some progress in transforming enterprises' operational mechanisms, still falls far short of requirements. Therefore, under the guidance of the 14th CPC National Congress guidelines, we must earnestly implement the regulations. Governments at all levels must continue streamlining administration and instituting decentralization, and delegate all the powers due to enterprises. At the same time, they should strengthen macroeconomic regulation and control, change the functions of government, and improve their services. Enterprises must further deepen reform, improve the contract system, transform their operational mechanism in line with the requirements of the regulations, and take part in market competition.

The committee members held: Over the years, the provincial people's government has done a great deal of work in implementing the Forestry Law and to improve forestry work. Great progress has been made but many problems remain to be solved. They also held that the province has made considerable progress in environmental protection; the province's ecological environment has improved somewhat. However, the province has failed to bring the trend of deteriorating pollution under control once and for all. As the economy develops, new sources of pollution have emerged. The province must further implement the Environmental Protection Law and continue to improve environmental protection.

Present at the meeting were Zheng Rui, Ying Yiquan, Kang Zhijie, Du Weiyou, and Du Hongben, vice chairmen of the provincial people's congress standing committee. Attending as observers were Zhang Runxia,

vice governor of the Anhui People's Government, and Feng Jianhua, chief procurator of the Anhui People's Procuratorate.

Flexible Inland Bonded Area Set Up in Jiangsu

HK2912010492 Beijing XINHUA Domestic Service in Chinese 1552 GMT 20 Dec 92

[By reporter Li Wei (2621 1550)]

[Text] Nanjing, 20 Dec (XINHUA)—With State Council approval, the bonded area of Zhangjiagang, Jiangsu Province, has been set up today and has gone into operation.

The only inland bonded area with the greatest degree of opening up on the Chinese mainland, Zhangjiagang's bonded area is on the eastern side of Zhangjiagang's port and covers 4.1 square km. Consisting of three principal functional zones, trade, warehousing, and export, the bonded area also has three supplementary functions, international banking, real estate, and management service. The bonded area will pursue special policies more flexible and preferential than those currently in force in special economic zones and economic development zones.

The establishment of Zhangjiagang's bonded area represents a strategic measure for further developing and opening up areas along the Chang Jiang. Situated in the Chang Jiang's "golden triangle," one of China's most economically developed regions and linked to Shanghai and Pudong in the east, it not only has a vast economic hinterland but also serves as an important hub of communications between north and south of the Chang Jiang and for shipping through the river into the sea.

It is learned that in the preparatory period of a little over six months, Zhangjiagang's bonded area has attracted widespread interest among foreign businessmen at home and abroad. The first group of 21 investment projects has been officially signed today, involving a total investment of 2.45 billion yuan and the utilization of \$288 million in foreign funds.

Jiangxi Secretary at Ground-Breaking Ceremony

HK2912064692 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 23 Dec 92

[Excerpt] Today, the Jiujiang Petrochemical Main Plant's chemical fertilizer project, a key state construction project, had its ground-breaking ceremony solemnly performed in Jiujiang.

Mao Zhiyong, provincial party secretary; Wu Guanzheng, deputy provincial party secretary and governor; and Zhang Fengyu, standing committee member and secretary general of the provincial party committee, attended the ground-breaking ceremony.

Huang Zhiquan, assistant governor, made a speech on behalf of the provincial party committee and government. [passage omitted]

Shandong Official on Tertiary Industrial Growth

SK2912084392 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 28 Dec 92

[Text] The provincial meeting on planning, foreign economic relations and trade, and economic cooperation continued on 28 December.

At the meeting, Vice Governor Guo Changcai spoke on arrangements for the development of tertiary industry in 1993; and Vice Governor Wang Yuyan spoke on arrangements for the 1993 plan for foreign economic relations and trade.

Guo Changcai said: In 1993, the added value of tertiary industry should increase 20 percent and the proportion of tertiary industry in the GNP should rise 1.6 percent. Therefore, we should grasp five key links in doing our work. First, we should emancipate the mind and put tertiary industry in an important strategic position. Second, we should deepen reform and set up a vivid development mechanism. Third, we should collect funds to increase the input to the tertiary industry. Fourth, the investment in tertiary industry should amount to more than 40 percent of the total investment in the capital construction of state-owned units. Fifth, we should offer coordinate service and create a good environment for the development of the tertiary industry.

Vice Governor Wang Yuyan said in his speech: Next year, the province's foreign exchange earnings from exports should increase 18-20 percent and reach \$5.4 billion. Simultaneously, the province should make a greater breakthrough in using foreign capital. There must be more than 5,000 newly approved projects. The province should use more than \$5 billion foreign exchange based on contracts. Meanwhile, the province should also make big progress in conducting economic and technological cooperation with foreign countries. The contracts on sending laborers to foreign countries, involving more than \$100 million, should be honored.

Wang Yuyan said: To realize the aforementioned targets, the province should concentrate energy on grasping the following few tasks: Speed up the transformation of the managerial mechanism; help foreign economic and trade enterprises enhance development vitality; vigorously promote the coordination of trade and industry; push increasingly more enterprises to international markets; make a greater breakthrough in using foreign capital; pay prominent attention to conducting cooperation with large international financial groups, corporations, and enterprises; run a group of large key enterprises with higher technological levels; pay prominent attention to helping town and township enterprises use foreign capital; and push tens of thousands of town and township enterprises to international markets.

Central-South Region

Guangdong Promulgates Family Planning Regulations

HK2912063492 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 24 Dec 92

[Text] The Guangdong Province Family Planning Regulations, newly amended by the provincial people's congress standing committee, were promulgated and began to be implemented today. The regulations provide a legal basis for managing family planning according to law and strictly controlling population.

The newly amended regulations fixed in the form of law, party and state, and even our provincial, family planning policies and regulations, as well as applicable family planning work experience. Underlining the legal nature and authoritative of local family planning regulations and the importance of carrying out family planning, the regulations add that not carrying out family planning is lawbreaking behavior, and clearly specify the responsibility system regarding population and family planning goals and that the major leaders of the people's governments of various levels are the first persons responsible for implementing population plans in their localities. The regulations also say that accomplishment of population plans and good family planning work are important indices for assessing the merits of governments and leadership at various levels. The regulations stressed that responsibility for strictly controlling population growth should be placed on the grass-roots level, especially in the villages.

NANFANG RIBAO today carried a full text of the newly amended regulations.

Guangdong Announces Land Transfer, Lease Methods

HK2812142592 Beijing ZHONGGUO XINWEN SHE
in Chinese 1204 GMT 12 Dec 92

[By reporter Liu Chen (0491 2525)]

[Text] Guangzhou, 12 Dec (ZHONGGUO XINWEN SHE)—In early December, the Guangdong People's Government formerly promulgated the "Implementation Methods on the Lease and Transfer of City and Town Land Utility Rights," thus strengthening its standardized management of the land market.

The methods explicitly confirm the unified planning of land management, unified land requisition, unified land reclamation, unified land lease, and unified land management. Guangdong will also formulate a land program listing the necessary land lease procedures to strengthen the government role in exercising planned regulation and control over the land market.

To do a good job in providing land for foreign-invested enterprises, the methods stipulate that foreign-invested enterprises may apply to city or county land departments

for appointments during which they will be granted the right to use land as designated.

In addition, the methods also provide detailed regulations on the necessary conditions concerning land prices, proprietary registration, and transfer of land utility rights.

It is learned that from January to September this year alone, 4,600 hectares of land in the whole of Guangdong have been leased, with an income of more than 8 billion yuan, 3.7 times last year's income from land leases. But unstandardized behavior in the land market is still very serious this year and has affected the healthy development of the land market.

The methods explicitly stipulate that land departments above the county level must confiscate illegitimate income from unauthorized transfer, lease, or mortgaged assignment of land utility rights and may impose fines lower than 50 percent of such illegitimate incomes.

Statistics on Reform, Opening Up in Shenzhen

HK2812120692 Beijing CHINA DAILY (SHENZHEN SUPPLEMENT) in English 28 Dec 92 p 1

[Article by Yi Lianjie: "Industry Cornerstone of the Zone of Prosperity"]

[Text] Shenzhen's industry has entered a new era since the establishment of the Shenzhen Special Economic Zone (SEZ) in 1980. Since then, their industry has been expanding, becoming the most important economic sector in the city.

Prior to becoming a special economic zone, the scale of the Shenzhen's industry was rather paltry, with a poor infrastructure. In 1979, there were only 224 small factories, mainly light industries, with backward equipment and technology and the output value of only about 60 million yuan (\$10 million). For the dozen or so years since the SEZ was established, Shenzhen's industry has gradually been expanding into a viable, competitive, export-oriented industry.

The following statistics show what the policies of reform and opening up to the outside world have done for the development to Shenzhen's industry.

From 1979 to 1992, the fixed capital investment in Shenzhen totalled 28.6 billion yuan (\$5 billion) and processing equipment worth 13 billion yuan (\$2.3 billion) was supplied by foreign companies. Registered industrial enterprises now number 7,363.

The industrial-added value in 1992 reached 10.9 billion yuan (\$1.9 billion), 476 times more than in 1979 and 45 percent of the city's total gross production. The total industrial output has registered an annual 61.6 percent growth since 1979, up to 36 billion yuan (\$6.3 billion).

Net foreign investment in Shenzhen today has reached \$5.1 billion and some 900 foreign-funded enterprises

have already started operation, their output accounting for about 70 percent of the city's total.

In absorbing foreign capital and investment, Shenzhen has also gained in being exposed to valuable business management techniques and experiences, while forging strong links to the world market.

Shenzhen has established a sound industrial structure and presently ranks first in the country in the export of 14 products, including bicycles, watches, radios, colour TV sets and telephones.

Shenzhen is also encouraging the development of hi-tech enterprises and 29 such enterprises have been designated as hi-tech ventures by provincial and municipal scientific management institutions.

The industrial output of these hi-tech enterprises, which produce such products as medical equipment, software, digital exchanges, and computers, account for 13 percent of the city's total.

So far, two bonded zones have been established in Futian and Shatoujia and some 19 enterprises have been approved to conduct business in these zones.

Shenzhen Increasing Economic Ties With Hong Kong

HK2812122392 Beijing CHINA DAILY (SHENZHEN SUPPLEMENT) in English 28 Dec 92 p 2

[Article by Wu Di, director of the Shenzhen Trade Development Bureau: "Shenzhen on Way To Becoming Next HK"]

[Text] Trade and economic relations between Shenzhen and Hong Kong have developed rapidly since 1980 when the Shenzhen Special Economic Zone was set up.

Hong Kong is now Shenzhen's largest partner in trade and investment.

Hong Kong began investing in Shenzhen in 1979. By the end of last year, Hong Kong's aggregate investment in Shenzhen reached \$2,450 million and joint ventures, including solely Hong Kong-owned entities, joint ventures and co-operative ventures, totalled 3,508, 64 percent and 87 percent of Shenzhen's total foreign investment and foreign-funded enterprises.

The shift of Hong Kong's manufacturing industry to Shenzhen has boosted the latter's industrial development and reduced local production costs, so investors have made big profits.

Trade between the two is developing at top speed.

Trade value stood at \$4.8 billion last year, 400 times more than that in 1979, of which exports to Hong Kong were \$2.9 billion, 87 percent of Shenzhen's exports.

About 8,000 enterprises process materials supplied by Hong Kong-based businesses and assemble imported parts from there, involving more than \$800 million.

Hong Kong has become more competitive in international trade by selling Shenzhen processed commodities.

It is estimated gross profits gained by Hong Kong through trade with the mainland is 4 to 5 per cent higher than trade with other regions.

Last year, Hong Kong businessmen signed agreements with their counterparts in Shenzhen for more than 880 projects with total contractual value of more than \$900 million, a record.

It is predicted trade volume will increase by more than 40 percent this year.

At the same time co-operation between the two has extended into new fields.

The new port at Huanggang in Shenzhen has a tariff capacity of 50,000 vessels a day to and from Hong Kong.

The Daya Bay Nuclear Power Station and the Guangzhou-Shenzhen Expressway involving Hong Kong businessmen will be completed by the end of next year and in 1994.

Co-operation in science and technology is expanding rapidly. Hong Kong has joined Shenzhen in cooperation in finance, bonds and stocks, commercial trade, tourism, and real estate.

Shenzhen is one of the few regions in the world which enjoys a high development rate in economics.

In the 90s so far, the annual economic growth exceeded 30 percent, and the gross production in the coming 10 years is expected to increase 10 times.

Shenzhen is set to become another Hong Kong.

Economic development in the two will become more inter-dependent as China moves towards a market economy. Co-operation is expected to be further expanded.

Co-operation will be extended into the fields of high-technology, infrastructure, finance, communication, transport, real estate, commerce, and service industry.

Haikou Seminar Takes Hong Kong as Model

HK2812101492 Beijing CHINA DAILY in English
28 Dec 92 p 4

[Article by Huang Yiming: "HK is Role Model for Hainan"]

[Text] China's southernmost province, Hainan, will be drawing on Hong Kong's market experience and moving boldly toward becoming a special tariff zone.

This was the message delivered in last week's seminar entitled "Build Hainan Into Another Hong Kong" which was held in Haikou, the capital city of the province.

"Efforts should be paid to setting up a series of realistic management mechanisms which will suit the demands of a socialist market economy and this province," Deng Hongxun, Party secretary of Hainan Province, said at the seminar.

Setting up a special tariff zone in Hainan can help introduce international practices and the market economic system into the province.

"We should adopt new reform measures, otherwise, Hainan's superiority will melt into air after China regains its seat in the General Agreement of Tariffs and Trade," Deng said.

The experiments in the province's Yangpu Development Area can provide experience for the province to be a special tariff zone in the future, he added.

About four years ago, the province appealed to the State Council to set up a special tariff zone there.

"Hainan should put more of its efforts into action," Governor Liu Jianfeng said.

Before getting permission from the central government, Hainan should expand its reforms in the following ways to create conditions needed for a special tariff zone, said the governor.

- Speed up construction of the financial market;
- Accelerate the share-holding system experiment and introduce the new system into more enterprises;
- Push State-owned assets into the market;
- Turn the government's direct control over the economy into indirect control;
- Promote social security reform and establish a social security system;
- Expand the reform of the personnel system and also establish a civil service system;
- Spread out the housing reforms and accelerate the commercialization of housing;
- Introduce market-oriented reforms into the educational and scientific systems;
- Speed up county-level reform;
- Expand the reform of farm reclamation.

Free exchange of foreign currency and reform of the foreign trading system is also needed, according to the governor.

Huang Xiangnong, chairman of the Hainan Hong Kong Macao Industry Co. Ltd, said at the seminar that more

policies giving independent management power to manufacturers should be introduced.

The seminar was jointly sponsored by the China (Hainan) Institute For Reform & Development; Hainan University; the Hong Kong Society of Asia & Pacific 21; the Chinese University of Hong Kong and HKI Group of Companies.

Hunan Leaders Attend Police Rank Ceremony

HK2912063692 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 22 Dec 92

[Text] The ceremony of granting ranks to the people's police was solemnly performed yesterday afternoon in the provincial party committee auditorium.

Governor Chen Bangzhu awarded certificates to all personnel receiving the rank of police commissioner [jing jian] third class, and to the representatives of the personnel who received ranks at or above police superintendent [jing du] second class—a total of 66 people.

Before this, Premier Li Peng had already conferred the ranks of police commissioner first and second class on 10 comrades in our province on behalf of the State Council. Zhang Shuhai [provincial Justice Department head] and Huang Dingyu received the rank of police commissioner first class, and Li Yiheng, Zhong Yisheng, Zhu Youliang, Wang Deyu, Li Zinan, Meng Tiren, He Zhongqi, and Luo Hukui received the rank of police commissioner second class.

A total of 900 people's policemen from the provincial public security department, reform-through-labor organs, education-through-labor organs, and Changsha City Public Security Bureau attended the ceremony, receiving the rank of police commissioner third class, the rank of police superintendent, and the rank of police inspector [jing si].

After the ceremony, Governor Chen Bangzhu gave an enthusiastic speech. He warmly congratulated the public security police and judicial police in the whole province on behalf of the provincial party committee and government. He said the people's police in our province was a contingent which was politically reliable and trusted by the party and the people. Governor Chen demanded party committees and governments of various levels continue to attach importance to and strengthen building of the people's police contingent, and called on public security departments of various levels continuously to upgrade political, professional, and law enforcement standards among public security contingents.

Among the leading comrades attending yesterday's ceremony were Dong Zhiwen, Zhu Dongyang, Wang Xiaofeng, Chen Binfan, Chu Bo, Zheng Kuiming, Qi Zhengying, and Zhang Mingtai.

Before the ceremony, Xiong Qingquan [provincial party secretary], Chen Bangzhu, Sun Wensheng, Yang Zhengwu, Liu Zheng, Xia Zanzhong, Luo Qiuyue, Luo Haifan, and other leaders, met all the personnel receiving police ranks.

Southwest Region

Sichuan To Set Up Three Gorges Economic Zone

HK2812140992 Beijing ZHONGGUO XINWEN SHE in Chinese 0915 GMT 11 Dec 92

[Text] Chongqing, 11 Dec (ZHONGGUO XINWEN SHE)—At a meeting on the Three Gorges project held in Chongqing a few days ago, the Sichuan Provincial CPC Committee and the provincial government decided to set up a Three Gorges economic zone incorporating Chongqing, Fuling, Wanxian, and Qianjiang.

The purpose of setting up such an economic zone is to improve, by implementing various preferential policies and support measures, the conditions of the people resettled, increase the number of people resettled in the reservoir area, and increase the economic strength of the reservoir area so that the area can generally coordinate with the overall development in the middle and lower reaches of the Chang Jiang.

It is learned that the idea of setting up the Three Gorges economic zone is supported by senior party leaders.

According to the meeting, the Three Gorges economic zone is an economic development zone with a definite scope regarding area. There will not be other administrative and organizational organs set up; the setting up of the economic zone will not change the existing administrative division and subordination of the reservoir area. The scope of the economic zone includes the Three Gorges flooded area, the area where people are resettled, and the area affected by resettlement.

It was disclosed at the meeting that the Three Gorges economic zone will first, lay emphasis on improving basic facilities in the zone, such as communications, telecommunications, energy, water conservation, and urban public facilities; second, based on the resources of the reservoir area and market needs, develop the chemical industry, the building materials industry, the textile and other light industries, and the food industry; third, take full advantage of the tourism resources in the development zone to turn tourism as quickly as possible into the principal industry of the economic zone; fourth, vigorously develop high-yield, good-quality, and highly effective agriculture; and fifth, bring into play the role of Chongqing as a key city to bring along the development of the economic zone as a whole.

The meeting said: The Three Gorges economic zone will strive to substantially improve the basic facilities in the area and to substantially develop the dominant industry within five years so as to initially develop an economic structure with local features. Five years later, it is necessary to vigorously develop high- and new-technology industry and shift toward an export-oriented economy so as to gradually narrow the gap between the economic zone and other localities in the Chang Jiang basin.

Tibetan CPPCC Official Yaoxi Gugong Caidan Dies

HK2912010092 Beijing XINHUA Domestic Service in Chinese 1321 GMT 20 Dec 92

[By reporter Wang Hongwei (3769 1347 0251)]

[Text] Xining, 20 Dec (XINHUA)—Yaoxi Gugong Caidan, member of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] Standing Committee, vice chairman of the Tibet Autonomous Regional CPPCC Committee, and father of Bainqen Erdini Qoigyi Gyaincain X, died of an illness in Xining on 8 December at the age of 72. His memorial meeting was held in Xining today.

Born in 1920, Yaoxi Gugong Caidan was a native of Xunhua County, Qinghai Province. He was formerly an official of Wendu Township, Xunhua County. After his eldest son was selected as soul boy [lin tong 7227 4547] to succeed Bainqen IX, Yaoxi Gugong Caidan was made a duke by the Bainqen Post Nomination Committee. He followed Great Master [courtesy title for a Buddhist monk] Bainqen Erdini Qoigyi Gyaincain to Tibet in 1952 and became a member of the aforementioned Bainqen Post Nomination Committee. Since 1956, he had been appointed member of the Tibet Autonomous Regional Preparatory Committee; vice chairman of the First Tibet Autonomous Regional CPPCC Committee; member of the Second CPPCC Committee; and vice chairman of the Third, Fourth, and Fifth CPPCC Committees. Since 1980, he had been a member of the Standing Committees of the Fifth, Sixth, and Seventh CPPCC National Committees. In 1991, he was appointed vice chairman of the China Tibet Development Fund. Yaoxi Gugong Caidan was a loyal patriot enjoying a reputation. He always firmly and resolutely safeguarded the motherland's unity and nationality solidarity, made unremitting efforts for the promotion of nationality solidarity, and remained a loyal old friend who cooperated with the CPC for a long time.

Among those who sent wreaths were: Li Ruihuan, Ding Guangen, Xi Zhongxun, Ngapoi Ngawang Jigme, Yang Jingren, and Pagbalha Geleg Namgyai; the CPC Central Committee United Front Work Department, the State Council Office, and the State Nationality Affairs Commission; as well as relevant leaders and departments of Tibet, Qinghai, Gansu, Sichuan, and Yunnan.

When Yaoxi Gugong Caidan was hospitalized, the CPC Central Committee United Front Work Department and the Tibet Autonomous Regional CPC Committee sent personnel to visit him. After his death, his remains were sent back to his former residence in Mari village, Wendu Township, Xunhua County, and were cremated on the morning of 18 December.

North Region

Beijing Reports Effective Population Control

SK2912083092 Beijing BEIJING RIBAO in Chinese 12 Dec 92 p 1

[Excerpt] As learned from family planning departments recently, Beijing achieved notable results in family planning in the past five years, and the inordinately large increase of population was effectively brought under control. Family planning was developed evenly in the various districts and counties of the municipality, and a good trend of low birthrate, low mortality rate, and low natural growth rate was created in the reproduction of population.

Beijing's birthrate was reduced from 16.22 per thousand in 1987 to 8.35 per thousand in 1991, and its natural population growth from 10.83 per thousand to 2.86 per thousand. Unplanned births declined substantially every year from more than 10,000 in 1987 to fewer than 1,000 in 1991, down 91.3 percent. The planned birth rate increased steadily from 92.82 percent in 1987 to 98.83 percent in 1991 and has surpassed 99 percent since 1992. By the end of October this year, the number of the districts and counties without unplanned births had increased by 25 percent. This year's population control target will be fulfilled smoothly as unplanned births were not found in 88.2 percent of Beijing's neighborhoods, 73.6 percent of its towns and townships, and 93.9 percent of its villagers' (residents') committees. [passage omitted]

Hebei Holds Ceremony To Confer Police Ranks

SK2912070392 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 28 Dec 92

[Excerpts] The provincial government held a grand ceremony in Shijiazhuang on 28 December to confer ranks to people's police. A total of 923 people's policemen of the provincial public security department, the provincial judicial department, and the departments for reform through labor or reeducation were given the ranks of third-grade commissioner, supervisor, superintendent, or constable. Governor Cheng Weigao presented certificates to 37 representatives of third-grade commissioners and first-grade supervisors. [passage omitted]

In his speech, Governor Cheng Weigao extended warm congratulation to the people's police throughout the province on behalf of the provincial party committee and government. He said: The people's police is a politically reliable contingent whose work styles can withstand tests and who is trusted by the province and the people. Implementation of the police rank system will play a greater role in promoting the construction of the people's police contingent.

Provincial leading comrades Ren Peiyu, Zhang Runshen, and Liu Zongxin also attended the ceremony.

On the afternoon of 28 December, provincial leading comrades Xing Chongzhi, Cheng Weigao, Lu Chuanzan, Yang Zejiang, Guo Zhi, Li Wenshan, Ren Peiyu, Liu Shanxiang, Chen Yujie, Han Licheng, Hong Yi, Song Shuhua, Zhang Runshen, and Liu Zongxin received all the comrades attending the ceremony to confer the police ranks and had group pictures taken with them.

Northeast Region

Heilongjiang Secretary Reports to Plenary Session

SK2312231192 Harbin HEILONGJIANG RIBAO in Chinese 2 Dec 92 pp 1, 3

[Report of Sun Weiben, secretary of Heilongjiang Provincial CPC Committee, given at the 10th plenary session of the sixth provincial CPC Committee on 28 November: "Study and Implement the 14th CPC Congress Guidelines and Push Heilongjiang's Economic Construction Up to a New Step"]

[Text] After the 14th CPC Congress, people throughout the province have created an initial upsurge in relaying and studying the congress guidelines, and leading comrades of party committees and governments at all levels have gone deep into grass-roots units and industrial and mining enterprises to conduct investigations and study. Not long ago, we again held a symposium on the market economy to solicit opinions from various circles on how to accelerate the transition to the market economy system. After this, the provincial party committee held this plenary session to thoroughly study and implement the 14th CPC Congress guidelines, examine Heilongjiang's plan for pushing the economy up to a new step, define the 1993 work tasks after summarizing the 1992 work, and mobilize the people throughout the province to make use of the situation to accelerate Heilongjiang's economic development. Based on the opinions discussed by the provincial party committee standing committee, I will speak on three issues.

1. We should thoroughly study the 14th CPC Congress guidelines and unify our thinking and action in line with the theory and the line of building socialism with Chinese characteristics.

The 14th CPC Congress was another important milestone in the party's history. Comrade Jiang Zemin's report was a programmatic document to guide us to expedite reform, opening up, economic development, and social progress in the new situation; the "CPC Constitution" amended and approved at the congress is the fundamental basis to guide party work and party building in the initial stage of socialism; and the new central leadership collectively elected at the congress provides a firm organizational guarantee for winning still greater success in reform and construction. After initial study, the provincial party committee standing committee held that it is a task of prime importance to thoroughly study and implement the 14th CPC Congress guidelines and further emancipate the mind, which

should be turned into the voluntary deeds of party members and the masses. We should now profoundly understand six basic viewpoints in particular:

1) The theory of building socialism with Chinese characteristics is the Marxism of contemporary China and is the ideological and theoretical foundation for guiding the practice of reform, opening up, and the modernization drive. Comrade Deng Xiaoping creatively applied Marxism and studied the reality of contemporary China to establish the theory of building socialism with Chinese characteristics, systematically providing an answer for the first time in the socialist development history to the question of how an economically and culturally backward country like China should build, consolidate, and develop socialism. The 14th CPC Congress made a systematic exposition on the development road, development stages, basic tasks, impetus to development, external conditions, political guarantee, strategic steps, leading force and the force to be relied on, and reunification of the motherland, establishing an ideological and theoretical foundation for the whole party to realize the grand tasks for the new period. In the initial stage of socialism, if we are to remain loyal to Marxism, we should be loyal to the latest achievement in integrating Marxism with China's practice, which is Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Only when we conscientiously study this theory and apply it to guide the practice of reform and opening up, can the proposition of our party be compatible with the national situation and popular will and our cause ever-victorious. The theory of building socialism with Chinese characteristics came from emancipating the mind and seeking truth from facts. When studying and applying this theory, we should also have a firm grip of emancipating the mind and seeking truth from facts, which constitute the quintessence of this theory, truly learn to apply this theory to guide and promote today's social practice, and also enrich and develop this theory amid the progress in social practice.

2) The fundamental experience gained over the past 14 years is to persistently keep the party's basic line unshaken. Over the past 14 years or so since the implementation of the reform and open policy, our country has made gigantic achievements in economic construction, the improvement of the people's livelihood, and the enhancement of the overall national strength. Along with the rapid changes in the world situation, our country's socialist system has experienced a strict test and demonstrated its powerful vitality. We should attribute these achievements to the party's basic line. This hard-earned basic line is the lifeline of the party and the state and the magic weapon for success in the socialist undertaking. To capture a greater victory in socialism, we must persistently keep the party's basic line unshaken for 100 years and regard being faithful to the party's basic line and continuously and creatively implement the basic line as the capital construction of the party. We should deeply understand the country's major contradictions and fundamental tasks in the current stage. We must

change the central link of economic construction no matter what changes have taken place in the situation at home and abroad. The work in all fields must be focused on, be submitted to, and serve this central link. We should deeply understand that the four cardinal principles are the foundation for building the country; that reform and opening up are the way for making the country strong; and that the four cardinal principles are the fundamental guarantee for the smooth progress of reform, opening up, and modernization as well as the content of reform, opening up, and modernization in the new times. The purpose of persisting in reform and opening up and adhering to the four cardinal principles is to better liberate and develop productive forces. The work in these two spheres must be focused on the economic construction. In doing the practical work, we should guard against the right and principally prevent the "left" so as to ceaselessly consolidate and develop the political situation characterized by unity and stability and enhance the firm awareness of implementing the basic line of the party. Without changes in the basic line of the party and with united and stable society, we will continue to advance successfully.

C. The purpose of reform is to set up the socialist market economic system. The transition from the planned economy to the planned commodity economy and the socialist market economy reflects the orbit of our country's reform and indicates that we have fundamentally eliminated the trammels of the thinking of regarding the planned and market economies as the basic characteristics of society. It also is a process to extensively and profoundly emancipate the mind, indicates that we have actually put the objective economic law in the first position, and is a means to eliminate the obstacles for boldly assimilating the civilized achievements in social progress and introducing the advanced managerial forms of the developed countries. This indicates that our country's economic structural reform will not be confined to the minding of the existing system, but that we must fundamentally change the system. To set up the socialist market economic system, we should have markets play a role as the foundation for distributing natural resources and promoting economic operation. We should develop and improve the market system and expand the market's active role in readjusting supply and demand and in guiding enterprises. To set up the socialist market economic system and to form a structure of ownership suitable to the market economic system, we should abide by the principle of long-term coexistence and mutual development, positively develop various sectors of the economy, give equal treatment to them according to the standards for efficiency, and advocate equal competition according to the principle of equality. To set up the socialist market economic system, we should have enterprises actually become legal entities and the main body of market economy. To achieve this, we should speed up the transformation of the enterprise managerial mechanism, really delegate decision-making power to management to enterprises, and push enterprises to markets. To establish the socialist market

economic system, we must firmly separate government functions from enterprise management. This demands that we rapidly change government functions and require government to concentrate on making overall arrangements and plans, controlling policies, giving information and guidance, conducting organization and coordination, providing service, and conducting inspection and supervision. The socialist market economic system's establishment touches upon the economic foundation and many spheres of the superstructure. Thus, it cannot be completed until a protracted arduous endeavor is made. This requires us not only to enhance the sense of urgency in establishing the socialist market economic system, but also to positively promote the work in a step-by-step and coordinated manner by proceeding from reality and by adopting different approaches to different cases.

4) Seizing the favorable opportunity to accelerate economic development is a major economic as well as a major political task. If we develop the economy slowly, it will be very difficult for us to consolidate the socialist system and maintain the long-term stability and order. Now, a new upsurge in development is on the rise throughout the country; the southeast coastal areas are developing very fast and are aiming at catching up with and surpassing the four small dragons of Asia; and the inland provinces as well as Liaoning and Jilin, which are adjacent to our province, are also setting forth new development strategies by proceeding from their respective advantages, which will make their economic development speed accelerated greatly. Under such a situation, if our province fails to rapidly change the long-standing slow growth speed, the gaps between our province and the developed areas will be widened continuously and it will be difficult for us to fulfill the second-step strategic goal on schedule. It is the major keynote of the 1990's work to seize the favorable opportunity provided by the establishment of socialist market economic system to accelerate the pace of reform and opening up with a view to making the province's national economy develop rapidly. We should seek unity in the ideas and actions of all fields in line with the endeavor of pushing the economy to a new stage and should gear all our work to economic development. As long as a project is proven efficient, high in quality, and export-oriented, it should be carried out as quickly as possible.

5) The essence of socialism is to emancipate and develop productive forces, to eliminate exploitation, to remove polarization, and to realize common prosperity at last. The summary of the essence of the socialism made by the 14th CPC National Congress has manifested the essence of socialism in the field of uniting productive forces with productive relations, has eliminated the added elements of the essence of socialism, has guided us to jump out of the old socialist mode, has used the viewpoints of practice and development to understand socialism, and has provided a scientific basis for judging whether a move is socialist or capitalist and for guiding the socialist

practice. Emancipating and developing productive forces has defined the basic task of the socialist society. To attain this task, we must regard whether something is conducive to developing the socialist productive forces, to enhancing the overall strength of the country, and to improving the people's living standards as the fundamental criterion to judge whether a thing is right and successful. As long as a thing conforms to this criteria, it should be explored and carried out boldly. Eliminating exploitation and polarization to achieve common prosperity at last has indicated the objective process that socialism is gradually developing from its initial stage to communism along with the development of production forces. During this process, we must correctly handle the relations between common prosperity and making some people become well-to-do sooner than others, and must make clear that common prosperity does not mean simultaneous prosperity or equal prosperity. The objective law of the development of socialism is to allow and encourage some areas and some people to become well-to-do sooner than others and then make them help other areas and people gradually become well-to-do. We should not only firmly and unswervingly march toward the goal of common prosperity, but also, while drawing up all policies, combine together all the things that are demanded and allowed by socialism and make these things serve the development of productive forces on the basis of the basic national situation at the initial stage of socialism.

6) The key to success in all work lies in strengthening and improving party leadership. Upholding party leadership is the core of the four cardinal principle. Any viewpoint or method that casts doubt on, weakens, or negates the party's position as a ruling party and its leading role are fundamentally erroneous and very harmful. The more the whole party concentrates efforts on economic construction, the more we should strengthen party building and improve party leadership. This requires that we persistently arm the whole party with the theory of building socialism with Chinese characteristics, upgrade the political quality of all party members and party cadres, and have more initiative and become more steadfast in adhering to the party's basic line in the new situation of reform, opening up, and socialist modernization; that we proceed from the environment that the party is situated in and the tasks it shoulders and bear in mind the new reality when following the party's basic line, adhere to the principles of the party taking charge of party affairs and running the party strictly, strengthen and improve party building, especially the building of leading bodies, and give full play to the role of all party committees as cores and leaders, the role of grass-roots party organizations as fighting bastions, and the role of party members as vanguards and models; and that we comply with the new situation in the transition to the socialist market economy, summarize new experiences continuously, and replenish new knowledge to raise the party's governing and leadership level.

The 14th CPC Congress guidelines are very rich, and our study is only in the initial stage. Therefore, we should

continue careful organization for the study and implementation of the guidelines, develop the good study style of integrating theory with practice, further emancipate the mind, accelerate reform and opening up, and push Heilongjiang's economy and all other work up to a new step.

2. We should expedite Heilongjiang's economic development during the transition to the socialist market economy.

Implementation of the 14th CPC Congress guidelines, in the final analysis, means developing productive forces and doing a faster and better job in pushing the province's economy up to a new step. This is the demand of the inherent law of economic development and also the common desire of the people throughout the province. The general plan for pushing Heilongjiang's economy up to a new step, which has been submitted to this session for discussion, plans to adjust the annual growth of GNP to 8 percent or more to increase GNP to 90 billion yuan by 1995 and to 140 billion yuan by 2000, thus realizing the second-step 100-percent increase two years ahead of schedule. After discussions, the provincial party committee standing committee held that the general ideas, major targets, work focuses, and ensuring measures are basically feasible and can be attained after down-to-earth and hard work. When the various tasks and development targets defined in this plan are fulfilled, Heilongjiang's entire economic quality and economic strength will be greatly improved, and the standard in the people's material and cultural life will be greatly raised. Therefore, fulfilling the various tasks defined in the plan to raise the economy to a new step is the most important politics for the 1990's and the central task that all fields should give prominence to. Guided by the 14th CPC Congress guidelines and focusing on the establishment of the socialist market economy system, we should further emancipate the mind, implement the strategy of developing the province through the application of science and technology and the promotion of education, extend the degree of the reform emphasizing the transformation of the enterprise operating mechanism, and simultaneously promote the transformation of government functions, the improvement of the market system, and the reform of the distribution and social security systems. We should extend the degree of opening in all directions emphasizing the opening of border areas, achieve success in cooperating with the areas south of the province and opening to the areas north of the province, develop the export-oriented economy, and realize the strategic escalation of opening to the outside world. We should particularly accelerate the development rate of the high-yield, good-quality, and high-efficiency agriculture, intensive processing industry, and the tertiary industry; increase material and technology investment; expedite the growth of the new growing point of the economy; and adopt intensive management to reach the new step of the economy with faster and better results.

The accelerated development of the province's economy during the 1990's has been effected with the major

background of establishing the socialist market economic system. Thus, we must closely combine the reform targets of the market economy with the development targets of the national economy, must break with the old rules and deep-rooted habits formed under the conventional systems, and must use new ideas to research and solve the major problems that prevent us from embarking on a new stage.

1) We should release the potentials of development to the maximum. In accelerating the national economy's development, we should, on the one hand, set free the productive forces of promoting reform that were bound up and held back by old systems; on the other hand, we should give play to the role of the primary productive forces and tap the potential of economic development through scientific and technological progress. Organic combination of these two will produce tremendous motivation for the increase in the national economy. Accelerating the pace of reform in accordance with the reform target of establishing the socialist market economic system has provided the greatest development opportunity for our province, a province engaged in producing raw and semifinished materials and a province with large proportion of mandatory planning. For instance, changing from the planned regulation and control to regarding the market as the major means to dispose of natural resources will greatly reduce the proportion of the mandatory planning of our province and will create new conditions for enabling the province to develop the local economy independently. That the market economy demands us to accelerate the pace of the price reform and to rationalize the price system will gradually change the situation that our province has long been in: a position of the exchange of unequal values. Taking Daqing as an example, the price of crude oil has gradually reached the same as the world market. This means that under the situation that output of crude oil is relatively stable, the profit and tax will go up by a large margin. The free management of petrochemical products has also provided the province with a new historical opportunity to utilize the natural resources of Daqing's petrochemical industry to develop the local petrochemical industrial system. Our province will certainly score great achievements if it makes great efforts to set up a common-interest entity together with Daqing's petrochemical industrial enterprises through the modes of purchasing stocks, conducting regional coordination, organizing group corporations, and conducting development in cooperation. The opportunities brought about by the market economy are many-sided. As long as we deepen our understanding of the situations of our province, various cities, and various counties from this angle, we can find out some favorable conditions and new opportunities for accelerating economic development. If we seize these opportunities in our hands and be brave in opening up new paths, we will be able to release tremendous potential of development. We should release potential in the field of perfecting existing reform measures. Along with the constant deepening of the province's reform, many new policies and measures have been set

forth one after another, thus playing a positive role in promoting economic development. However, it should also be noted that many policies and measures have not yet been carried out practically. After defining the reform target of establishing the market economic system, and along with the gradually rationalized relations between the macroeconomic regulation and control methods and between various departments and regions, the delegation of some managerial powers to lower levels have provided conditions for solving the problem of failing to implement policies. If we really implement all the policies adopted over the past two years concerning invigorating large and medium state-owned enterprises, developing the county economy, opening to the outside world, and decontrolling intellectuals and scientific research institutes, we will certainly be able to release new potentials of development. There are still some dead angles in implementing some existing reform measures, and thus there is still great potential to expand the implementation of reform measures. For instance, if the various levels of organs stationed in places other than the province carry out the contract system in fixing the base figure and sharing profits and carry out flexible management, they will be able to change the existing situation of consuming state financial subsidies and suffering a loss. We should exploit the potential in relaxing control over grass-roots units and enterprises. Although we have done plenty of positive work in this aspect in line with the principle of boldly delegating power to lower levels, our work to relax control, in general, is still not enough. This has resulted from higher and lower levels, both of which lack courage. Judging from the angle of the major operators, if control is not relaxed, enterprises cannot be invigorated during the transition to the market economy; and relaxing control means liberating productive forces. For example, given the power needed in independent management, the Qiulin Company in Harbin was able to double its fixed assets, equal to building another Qiulin, in merely a few years; and the Daqing Transport Company, which had suffered many years of deficits, was able to increase its output value by 18 times in two years. Also, the traffic difficulty of central cities will be greatly improved if we relax control over the shuttle buses and public cars of offices, enterprises, and institutions. We should exploit the potential in the intensive processing of raw materials and in the development of series of products. To develop the market economy, we should pursue the greatest efficiency. Therefore, on the one hand, we should expedite the unification of the two prices for raw materials and, on the other, adopt every means to raise the processing and utilization rate of raw materials. The local share of crude oil has been very small. This makes it necessary for us to process it in the province to increase its value and export the finished products with high additional value. The current amount of coal produced is larger than the amount marketed. This makes it necessary to transform the coal into electricity and develop coal chemical industry. Timber resources are reducing. This makes it necessary to draw up a plan to stop export of logs for several years and vigorously

promote the processing of wood products. The commodity rate of grain has increased substantially and the difficulty in selling it has become increasingly conspicuous. This makes it necessary to greatly develop feed and food industries to increase the value of grain by processing it or turning it into feed for livestock development. A success in the intensive processing of raw materials will not only prevent loss of efficiency but also facilitate the upgrading of the province's industries. We should exploit the potential in improving enterprises' level of scientific management and ability for technological development. Some enterprises still have the problems of backward technology and poor management. They should focus attention on themselves and improve their level of scientific management. We should further perfect enterprises' responsibility system for attaining fixed targets, step up forecast and development of the market, and strengthen management of labor, technology, and material consumption to seek higher efficiency through improvement of management. We should establish and improve the mechanism for the investment in technological development and the mechanism for encouraging scientific and technical personnel and technical workers and improve enterprises' technology and equipment, technological level, and ability to develop new products. We should promote the coordination of scientific research with production and provide credit support to the intermediate experiment and transformation of scientific research achievements. We should seize the opportunity presented by the market to develop some technical transformation projects that require less investment, yield quicker results, and help beef up financial resources fairly rapidly. We should exploit the potential in developing people's enthusiasm. The most fundamental motivation for the economy to reach a new step lies in boosting people's enthusiasm and developing their wisdom, intelligence, and creativity. Therefore, in developing economic work, we should not focus on materials to the neglect of people. As far as enterprises are concerned, we should improve the system of democratic participation and management by workers and establish harmonious cadre-populace ties and a managerial mechanism under which difficulties in production and management are resolved through the collective wisdom of workers. As far as rural areas are concerned, we should do a good job in reducing the burden on peasants, check unwarranted apportionment, and strive to put an end within a short time to the practice of using the money retained from peasants' income to pay for the expenses for rural cadres at township and village levels. In short, when a good job is done in boosting people's enthusiasm, the potential for promoting the development of productive forces will be exploited in all fields and all links, and from different angles. This is the most fundamental supporting force to raise the economy to a new step.

2) We should pool financial resources to develop key projects. The endeavor of raising the economy to a new step calls for substantial growth in the quantitative

increase in the form of value, in scientific and technological progress, in the evolution of industrial structure, in the export-oriented extent of the economy, and in the living standard so that unity between quality and quantity and an economic leap can be achieved. This requires that we understand this endeavor from the viewpoints of system change, structural adjustment, and expanded opening up; that we attach great importance to scientific and technological progress and improvement of the quality of laborers; and that we achieve unity between improving quality and expanding scale to a proper extent. Judging from the actual conditions of Heilongjiang, a lack of investment making to promote development and a lack of the key projects capable of promoting the rapid growth of related industries and the economy are the important reasons for the difficulty in shaking off the low-rate development of the economy. Under the current circumstances of speed-oriented and efficiency-oriented economies, accelerated development of the economy is impossible without the promotion of key projects and pillar industries. The experiences of advanced provinces and regions showed that a very important motivation for promoting rapid economic growth and improving the entire economic quality amid the growth is to develop a group of key projects that are started at high technological levels, are closely related to industries, are highly competitive, and yield good economic efficiency. Therefore, based on the reality of Heilongjiang, we should pool financial and material resources to achieve new breakthroughs in the construction of key projects. Development of new projects should be closely coordinated with the endeavors to optimize industrial structure and realize high levels of industries. Focusing on effectively easing bottlenecks and restrictions, we should pay particular attention to the renovation and expansion projects of power plants and the projects to transform coal into electricity, which are aimed at alleviating the strained power supply. We should pay particular attention to the renovation of major highways and railways, the construction of Heilongjiang bridge, and the expansion of Harbin and Heihe Airports so that bottleneck and disconnected sections can be opened up and linked. Focusing on developing the intensive processing of resources and the extension of the industrial chain, we should pay particular attention to the projects for petrochemical industry and strive to establish as soon as possible China's largest petrochemical production base, largest petrochemical product market, largest petrochemical industrial group, and largest distribution center of petrochemical machinery manufacturing technology. We should pay particular attention to the coordinated development of construction and building material industries and gradually establish the industrial groups that can provide various types of building materials, whole sets of equipment, and installation technology. Focusing on developing high-yield, good-quality, and high-efficiency agriculture, we should pay particular attention to the intensive development projects of Sanjiang and Songnen Plains. We should successfully expand and renovate the enterprises leading in the processing of farm products,

forest products, and animal by-products; develop a number of supporting projects that are started at high technological levels, are closely related to industries, and enable products to produce high additional value; and gradually establish the largest base of the country for the production and processing of dairy products, wood products, feed, and grain. Focusing on raising the levels of industries, we should pay particular attention to the construction of the Harbin and Daqing high- and new-tech industrial development zones, pool imported technology and funds to develop technology-intensive industries, and achieve success in the renovation of the equipment of Harbin Power Station to lead the renewal and renovation of traditional industries. In developing new projects, we should win the assistance from higher authorities, delegate power to lower levels, make investment from various sources, and achieve breakthroughs in key areas. We should further boost the enthusiasm of local authorities and enterprises and grant prefectures, cities, and counties more autonomy in screening and approving capital construction and technical transformation projects. We should open up more channels for collecting funds and adopt various measures to turn idle funds into construction funds as much as possible. In view of the plural major investors and increased demand for investment, we should particularly guard against low-level overlapping construction, scattering of investment in small amounts, and overextended construction periods. This demands we strengthen the overall regulation and control over the investment of the whole society, shift from mainly controlling investment scale to mainly regulating the supply of funds, change from mainly controlling the increase in investment to mainly regulating the orientation of investment, and combine the regulation of the structure of investment trade with the regulation of the structure of investment space. At the same time, we should carry out the fund, reserve, responsibility, and auditing systems for key projects and should strive to give special treatment to key projects and concentrate investment on these projects to ensure the good results of investment and the sound development of major and pillar industries.

C. We must push large and medium state-owned enterprises onto markets. Large and medium state-owned enterprises are the main body of the province's public-owned economy and is the material and technology foundation of the province's economic development. Invigorating large and medium state-owned enterprises is the key to transit to the socialist market economy, and is the place where lies the hope of pushing the economy onto a new stage. The reason the province's large and medium state-owned enterprises lack vitality is that they have failed to truly become the independent main body in market competition. To solve this problem, it is not enough, in view of the present situation, to merely depend on the perfection of the contract responsibility system. We must make breakthroughs in changing the operational mechanism of enterprises. The focus of it is to give enterprises full authority for management in accordance with the "regulations." We should rapidly

draw up the detailed and coordinated rules for implementing the "regulations" and strive to put these rules into effect by the end of this year. Those which are definitely stipulated in the "regulations" can be carried out by enterprises directly, and various pertinent departments should not interfere with them. Among the enterprises which have already implemented the performance-based wage system and the share-holding system, labor departments should no longer assign the employment quota and the total payroll utilization quota. Enterprises may engage in the management of other trades in line with market changes and with the demand of production and management. While winning the import and export rights for enterprises, we should encourage enterprises to do overseas business together with foreign trade corporations through the forms of joint management, joint marketing, and commissioned management. We should regard the implementation of the share-holding system as an important way to change the operational mechanism of enterprises, and should establish a practical form of public ownership which has vitality and good efficiency. Under the prerequisite of defining that the property of the state-owned enterprises is owned by the whole people, we should separate the management and supervision over the state-owned assets from the operation of the state-owned assets. Through the appraisals of assets, on the basis of defining the value of the state-owned assets which are operated by enterprises, in line with the principle of separating the ownership of assets from the operation right of assets, we should create the property right foundation of giving full authority of management to operators of state-owned enterprises and make operators assume full responsibility for their own profits and losses. Except for the military industrial enterprises and the highly sophisticated technological enterprises which are still solely operated by the state, most large and medium state-owned enterprises should readjust the share-holding system, with the limited-liability company and the limited-responsibility company as the main forms, through the forms of the purchase of shares by the state, the collective purchase of shares by the state, and the holding of shares by publicly owned legal persons. Small industrial and commercial enterprises may be changed to share-holding cooperative enterprises and the state-owned but people-run enterprises and may also be changed to the nonstate-owned enterprises after auctioning off their property right. At the same time, we should increase the number of the higher-level enterprises without being affiliated to any state department. From now on, party and government leading organs should only manage the top party and government leaders of enterprises, the contracts of enterprises, and the guaranteed value and added value of state-owned assets of enterprises. The newly established enterprises must imitate the three types of foreign-invested enterprises in the fields of raising funds, operation and management, and profit distribution, in line with the demand of the market economy and with the idea of the share-holding system. So, new enterprises will have new ideas and new mechanisms. The practice of reform

shows that only by accelerating the change of government functions will it be possible to effectively change the operational mechanism of enterprises. We must, in line with the government's economic management functions defined by the 14th CPC National Congress, return all powers that belong to enterprises to enterprises. Governments should change from managing the micro-economic activities to managing the macroeconomic activities, change from mainly conducting direct management to mainly conducting indirect management, and change from mainly depending on administrative means to mainly depending on economic and legal means to gradually attain the goal that the government regulate and control the market and the market guides enterprises.

4) We must upgrade the strategy for opening to the outside world. Bringing into play the advantages of opening the coastal areas to the outside world and speeding up the formation of the export-oriented economy is a key force to promote the development of the economy to a new stage. So far, we have both favorable opportunities and pressure in expanding the scale of opening to the outside world. The favorable opportunities are that the country will further expand the opening of border areas and continue to extend to our province the policies toward the southern areas and coastal areas that open themselves to the outside world ahead of others. The development of the northeast Asia economic zone has attracted the attention of the world. So, the zone will possibly become a hot spot for development and investment and the development of the zone makes the province play a role as a big international economic and trade passage linking Europe with Asia. The pressure is that the foundation for commodity mutual supplementary trade between our province and some countries under the CIS, including the Russian Federation, is shrinking and that the quality and standing of some export commodities are comparatively low. So, there is the real possibility to lose the markets of the CIS. A new trend of opening to the outside world is vigorously rising. The coastal areas firmly attend to implementing a plural open-up strategy and the inland provinces are adopting major measures for bringing in capital, inviting businessmen, and expanding the scale of opening to the outside world. All this has enhanced the competitiveness in the international economic and technological cooperation. After China restored the position as a signatory state to the GATT, our province is noticeably confronted with a task for upgrading the traditional industries due to reducing custom taxes and nontariff productive measures. We must clearly understand the situation of opening to the outside world; comprehensively analyze the foundation and conditions for opening to the outside world; and upgrade the strategy of opening to the outside world with greater daring, a wider field of vision, and more effective measures. To upgrade the strategy, we should speed up the extension of the commodity mutual supplementary trade to the overall economic and technological cooperation so as to upgrade the level of the strategy for

conducting foreign economic and trade activities, speed up the extension of the entrepot trade to the export goods processing trade so as to promote the development of the export-oriented economy, speed up the extension of the trade dominated by intermediate trade companies to the trade dominated by industrial enterprises so as to make state-owned large and medium enterprises become the main forces in opening to the outside world, speed up the extension of the bilateral economic and trade cooperation with the Russian Federation to the multiway economic and trade cooperation so as to form a plural open pattern, and speed up the shift from the forward positions occupied by the border open areas to the establishment of the central role of the northeast Asia economic zone so as to bring into play the role as an international economic and trade passage linking Europe with Asia. To this end, we must timely work out a strategy for this passage. We should open up the land passage centering on Harbin, linking its northern tip of Heihe with Blagoveshchensk, linking its eastern tip of Suifenhe up with (Z)Grodokovo, linking its western tip of Manzhouli with Chita, and entering the Siberia railway line. Simultaneously, we should positively open up a land and sea transportation passage starting from Harbin to Changchun and Shenyang, linking up with Bayuquan and Dalian Harbors, and entering Bohai Sea; and a river and sea transportation passage linking Songhua Jiang, Heilong Jiang, and Wusuli Jiang with the Sea of Okhotsk. We should also pay firm attention to opening regular and irregular air flights from Harbin to Irkutsk, Seoul, Niigata, Alaska, and Hong Kong in an effort to build Harbin into an international airport linking Europe with North America, East Asia, and Southeast Asia and to make a strategic transition from the coastal inland provinces to the international economic and trade three-dimensional passage. We must implement the plural market strategy. At the time of further consolidating and developing the markets in the CIS with the focus on the Russian Federation, we should positively join the development and cooperation in the Northeast Asia economic zone and focus on developing the economic and trade relations with Japan and the ROK. Particularly by taking advantage of the normalization of the relationship between our country with the ROK and bringing into play the province's advantages of having relatives in the ROK, we should adopt breakthrough measures to link government activities with non-governmental contacts to create a new situation of developing economic and trade cooperation and technological contacts with the ROK. By grasping the new situation that the investment by Hong Kong and Taiwan is gradually shifting to the north, we should strengthen contacts, improve the intangible environment, provide good service, and invite them to make investment and run business in our province. Seize the opportunity presented by the industrial proliferation of Southeast Asian countries and using the province's advantages of a fairly high organic composition in the economy and fairly high potential for industrial development, we should organize a group of enterprises to develop the industries in conformity to those of these southeast

Asian countries and carry out transnational cooperation. We should conduct research in advance on the opportunities and challenges that will emerge after we enter GATT, expedite reform of the foreign trade system, improve and suit measures to the reform, and have more initiative and courage to absorb and use the advanced technology and managerial expertise of European and American advanced countries. We should broaden the field of vision on opening wider to the outside world; actively open up the Middle East, South American, and African markets; and gradually establish a pattern of multifaceted opening in all directions. We should firmly establish the strategy of quality escalation of export commodities. We should adopt every means to improve the grade and technology content of export commodities and develop multilateral cooperation with other localities of the country and foreign countries to build export-oriented processing and production base with a high level opening up started, the development of the market still falls short of the objective demand of economic development. Government prices exist simultaneously with market prices for some means of production, unified markets exist simultaneously with regional blockade, and open business exists simultaneously with man-made monopoly. The markets we have already established are small-scale and low-level markets of a unitary structure. Major producers and operators lack close economic ties with the market. All the aforementioned are the important reasons restricting Heilongjiang's economic development. Therefore, we should place development of the market in the lead; adhere to the principles of lifting controls first before exercising control, creating a proper atmosphere before construction, and giving before taking; make policies compatible with the development of the market; and strive to establish a market system whereby urban and rural areas, different localities, and different provinces open to each other and domestic and foreign trade develop simultaneously. We should expedite the reform of the price system, with the focus on resolving the rather low prices for basic products; gradually lift the price controls on coal, timber, oil, and grain; further decontrol the prices of the commodities under provincial control; grant enterprises the authority to fix the prices for their own products; and unify the government and market prices for means of production at the county level first. We should be determined to open the market to one another; abolish all regional commodity protection policies harmful to fair competition; disband all posts harmful to commodity circulation; and check all arbitrary collection of fees and fines harmful to the development of the major operators of the market. We should resolutely eliminate man-made monopoly; adjust business license and special examination and approval systems; left controls on the trade of all commodities except for those under special control as explicitly stipulated by the state; and, at the same time, fix price ceilings for the means of agricultural production. We should expand the scale of the market. Aiming at developing and building central cities and border open cities, we should mobilize forces from all quarters of society to build and renovate

more quickly a group of large-scale multipurpose shopping centers. County seats and major market towns should also build large and medium shops compatible with people's purchasing power. In particular, they should attach the greatest importance to the development and construction of grain markets and achieve real results in those markets. We should raise the level of the market and, taking advantage of our resources, products, and geological position as a border province, step up construction of provincial-level wholesale markets and the markets for Chinese and foreign people's nongovernmental trade that serve the whole province and influence the whole country. We should prepare for the construction of the futures market and open up the market outside the province. We should improve market structure and give the priority of market construction to the development of the market for the essential elements of production. In line with the progress of enterprise reform, we should build monetary markets in large and medium cities, including the markets for marketable securities, money lending, and foreign exchange regulation; build property right markets on a trial basis; and develop the markets for technology, labor service, information, idle equipment, and real estate to promote the rational flow of the essential elements of production. In the process of accelerating the development of the market system, we should honestly act according to the subjective economic law; avoid acting according to the will of officials; pay attention to guarding against dislocation between the market and industries, between the carriers of the market and the purchasing trend, and between the scale of the market and the purchasing power; and particularly encourage units in the leading position of operations to develop the market.

6) We should exert great efforts to cultivate the new growing point of the economy. To accelerate Heilongjiang's economic development, we should, on the one hand, enliven the state sector of the economy and, on the other hand, accelerate the development of the county economy and nonpublic sectors to replenish the tertiary industry. The practice since the beginning of reform and opening up has shown that the county economy is an important pillar in Heilongjiang's economic development; that the nonpublic sectors of the economy, at the present stage, boast the greatest vigor, the fastest growth rate, and fairly high accumulation rate; and that the tertiary industry has the greatest potential. Therefore, we should accelerate the development of the county economy in line with the idea of making the endeavor of achieving a fairly comfortable life predominant in rural work as defined by the provincial party committee and the road of "four integrations." In the conditions where the transition to the market economy has been notably expedited, price controls on means of agricultural production have been lifted one after another, and the difficulty in selling farm products has been aggravated, party committees and governments at all levels should regard it their major tasks for the current rural work to solve the knotty problems in

agricultural production and normal economic circulation and guide peasants to organize production in line with the objective environment of the market economy. We should particularly achieve success in the work for the 11 poverty-plagued counties, nine affluent counties, and 19 border counties; establish as soon as possible an operational mechanism for the market economy and a vigorous development trend; and enable these counties to play a model and leading role in the rural economy of the province. In promoting the county economy, we should give prominence to township enterprises, a key point. We should learn from the successful experiences of advanced localities and, proceeding from our reality, make the best of our advantages to blaze a development road with the characteristics of Heilongjiang. Judging from the actual conditions, we should establish a stable agricultural system characterized by high yields, good quality, and high efficiency if we are to improve the entire level of the township enterprises throughout the province. Based on this, we should expedite the development of the township industrial enterprises engaged mainly in the processing industry to steadily increase peasants' income and raise the fund accumulation rate. To invigorate township enterprises, we should institute the shareholding cooperative system. By purchasing shares, converting property into shares, selling shares, or expanding shares, we should clarify the relations in property right and distribution, making the shares privately owned but publicly used and the public accumulation funds publicly owned and publicly used. We should adopt a system of distribution according to both work and shares, change the phenomenon in which township enterprises are "second state-run," consist "of power ownership," and are "government appendages." We should have them managed independently where they are responsible for their own profits and losses. In guiding the work of town and township enterprises, we should respect the objective economic law and prevent the phenomena that the tertiary industry develops at the same pace among all localities. We should focus on grasping the implementation of the strategy for developing border areas, the areas along rivers, and the areas along both sides of railway lines and on grasping the construction of five development belts. We should run 100 small development zones where town and township enterprises are concentrated in the border areas, the areas along rivers, and the areas along both sides of railway lines; concentrate energy on supporting their development; ensure that the per capita net income of the peasants in these areas will reach 1,500 yuan in 1995; and ensure that these areas will realize the target of becoming fairly well-off ahead of schedule. We should rely on our natural resources; cater to the needs of domestic and international markets; link urban areas with rural areas; develop intensive and precision processing industries; and gradually establish belts for development of coal and chemical industrial products, belts for processing and developing forest and mountain products, belts for processing and developing farm and livestock products, belts for developing auxiliary products for machinery and electronics industries, and belts for

processing border export products. We should grasp the favorable opportunities of speeding up the development of the national economy and the province's special advantages of having border areas to vigorously develop building industry, building materials industry, and the transportation industry linking urban areas with rural areas; positively expand the export of labor service; and adopt firmer and more flexible and enlightened policies to speed up the construction of small towns and to attract peasants to make investment, run business, and engage in industry in the urban areas. We must speed up the development of private and individual sectors of the economy and three types of foreign-funded enterprises. Our province rapidly developed the private and individual sectors of the economy from 1984 to 1988. A situation of protracted stagnation emerged after 1989. The private and individual sectors of the economy started to rise from this year and registered an increase by two digits. However, they only amounted to 2.4 percent of the province's economy. We should develop private and individual sectors of the economy firmly in line with the principle of putting decontrol ahead of management and putting development ahead of standardization and adopt effective measures to solve the problems due to excessively rigid policies; to eliminate the phenomena of arbitrarily apportioning expenses, imposing fines, and collecting funds that have not been banned despite repeated prohibitions; to eliminate the phenomena of each unit acting on its own ways; to eliminate excessive checks; and to eliminate the difficulties in getting licenses in an effort to make rapid development in private and individual sectors of the economy. The small and medium state and cooperative commercial, catering, and service enterprises are allowed to sell off their property rights at reduced prices or transfer, on a contracted or leasing basis, their property rights to individuals. We should conscientiously sum up the experiences in developing three types of foreign-funded enterprises; solve the existing problems; take open, developmental, and experimental areas as carriers; concentrate energy on improving infrastructural facilities and creating conditions for bringing in capital and inviting businessmen; optimize the external environment for management of three types of foreign-funded enterprises according to international conventions; strive to overcome the tendency that the activities of inviting businessmen and bringing in capital remain at lower levels, are in low quality, and become more bureaucratic and there are excessively more administrative procedures for conducting the activities; and resolutely promote various kinds of main economic sectors to the forefront line of bringing in capital and inviting businessmen. We must speed up the development of tertiary industry. The tertiary industry in our province accounts for a small proportion and is in low quality. However, it has great potential. In the course of promoting the economy to a new stage, we should ensure that the growth rate of the tertiary industry should greatly be higher than that of the primary and secondary industries. To this end, we should formulate preferential policies to encourage the development of the tertiary

industry; pool the efforts of the state, the collectives, the individuals, and foreign investors; persist in the principle that whoever makes investment will gain ownership and benefits; guide and mobilize all social forces to increase the input to tertiary industry; and develop tertiary industry according to the orientation of industrialization. We should link the development of tertiary industry with the transformation of enterprise managerial mechanism and organizational reform and pay particular attention to eliminating the phenomena of only relying on the government subsidies and relying on society to run the tertiary industry.

In short, realizing the target of promoting the economy to a new stage means breaking with conventions to make economic development. The prerequisite for making unconventionally economic development is to jump out of the traditional thinking and pattern of development and the traditional form of economic operation and to break with conventions to consider and solve problems. In line with the market economic reform objective and the development objective of elevating the economy to a new high, we should grasp the current favorable opportunity, change our ideas, make breakthroughs, and seek real efficiency. Simultaneously, we should strengthen investigations and study, persistently proceed from reality, avoid blindly doing our work or blindly making development, and strive to improve the economic work.

3. We should keep abreast of the demands of transiting to the market economy and pushing the economy onto a new stage, and should strengthen party building and the work in the ideological and political sphere.

Pushing the economy onto a new stage in the course of transiting to the socialist market economy not only is the matter of the economic sphere but also extensively touches upon the matters concerning the progress of the sense of society, the perfection of the political system, and the formation of cultural atmosphere. This requires us to arm the whole party with the theory of socialism with Chinese characteristics in line with the party's basic line and with the principle of firmly grasping both economic construction and ideological and political work. This also calls for strengthening party building, improving party leadership, and conscientiously attending to the work in the ideological and political sphere in the course of carrying out reform, opening up, and modernization.

1) We should make great efforts to improve our ability and expertise of guiding and organizing modernization under the condition of the market economy. Because economic construction is the central work of the party, we must continue to strengthen and improve the party's leadership over economic work. In engaging in the socialist market economy, there are such universal problems as lack of experience and knowledge and failing to adapt ourselves to the work in many fields. In line with the objective demand of the market economy, improving the ability and expertise of guiding and organizing the modernization looks extremely urgent. For instance, as

the factors for policymaking become more dynamic, diversified, and complicated under the condition of the market economy, we are required to constantly explore new ways of scientific and democratic policymaking and strive to attain the goal of resolutely having the final say and scientifically making policy decisions. Because the competitiveness and effectiveness of economic behavior are much more stressed, we are required to stop depending on meetings and documents to guide the work and avoid miscellaneous procedures in order to accelerate the tempo of work and enhance the efficiency of work. Because the enterprises' status of independent management has been defined, we are required to change the conventional work method of depending on administrative means, but should depend even more on the guidance by policies, on the regulation of profits, and on the strengthening of coordination. Because the market has gradually become the major means to deploy natural resources, we are required to change the conventional methods of regulation and control, accelerate the renewal of knowledge, study the theory of the market economy, and learn to handle affairs according to the law of value. Owing to further opening of such economic behaviors as bringing in funds, equipment and talents, cooperating with others, and attracting foreign investment, we are required to renew the sense of leadership, redefine the sense of opening, enhance the ability of associating with others, and foster the new image of civilization and high efficiency. Only by aiming at improving the ability and expertise of leading the modernized economic construction from these aspects can we keep abreast of the objective demand of accelerating the province's economic development. To push the economy onto a new stage, we must boldly select and use those cadres who seek truth from facts, maintain close ties with the masses, are bold in trying everything and going ahead, and have ability and courage to control the market economy, in line with the principles of making the ranks of cadres more revolutionary, younger, better educated, and professionally more competent and making cadres have both ability and political integrity. At the same time, we must introduce competition mechanisms to the management of cadre personnel in line with the principle of stressing the openness and equality of competition on the market so that cadres can work at higher or lower levels as required and so that only the most competent cadres can survive. We must regard the main battlefield of economic construction as the main line to bring up cadres, and should, in particular, pay attention to selecting leading cadres to take charge of the economic work from among the persons with the practical experience of enterprise management. In providing personnel for work bodies in the future, we should not only strive to rationalize the natural structure but also optimize the work structure by proceeding from the practical demand of leading economic construction. By the end of this year, all prefectures, cities, and part of departments and bureaus directly under the provincial authorities must fulfill the task of reorganizing their leading bodies in line with the demand of shifting the

terms. The reshuffled leading bodies should pay attention to maintaining the continuity and stability of the basic work ideas, particularly improve their way of thinking and working, and muster the attention and enthusiasm of cadres and the masses on development to continue and promote the work in all fields. They should concentrate energy on the central task, break with convention to implement it, and make sure that efforts are made through to the end until success is achieved. We are now faced with many tasks and difficulties, such as the very arduous task to put an end to enterprises' deficits, the stockpiling of coal, the crisis in forestry and timber production, the serious deficits of military industrial enterprises, the strained financial resources of some counties, and the difficulty in collecting the funds for purchasing grain. Therefore, earnest efforts and practical work are what we need most. We should have the courage to take risks and advance despite difficulties during the transition to the market economy. We should be persistent in developing the priorities of economic construction through to the end. We should also be resolute in implementing the policies defined by party committees and governments. Currently there exists at varying degrees the phenomena where benefits are given to individuals and power to departments on a priority basis, contradictions are pushed to higher levels, conflicts within leading bodies are rather serious, and centralized unified leadership is weakened. Therefore, we should maintain the authority of the policies of party committees and governments. Cadres who refuse to implement collective resolutions, who overtly nod in approval but covertly impose obstructions, and who hinder the implementation of policies on the excuse of defending departments' interests should have their ideas changed through intensive ideological education or be reshuffled through organizational measures. In this way, we should truly implement all work measures and achieve good results.

2) We should train a gigantic contingent of modern entrepreneurs. To exercise effective party leadership over economic construction, we should not only turn party and government leading cadres into experts in economic work but, more importantly, turn our great number of outstanding party members and cadres into modern entrepreneurs. The party should be determined to train a great number of modern entrepreneurs and rally a great number of modern entrepreneurs around the party. Training a gigantic contingent of modern entrepreneurs is both a pressing task for accelerating economic development and a strategic need in consolidating the party's leading position and improving its governing level. The provincial party committee and government plan to formulate a strategic plan and corresponding policy measures for training modern entrepreneurs. Party committees and governments at all levels should place this issue high in their agenda, work out unified plans, and strengthen leadership. Over the past decades and more since reform and opening up started, a large number of new-type entrepreneurs have grown in the environment of the market economy along with the

development of the commodity economy and the growth of township enterprises, the three types of foreign-funded enterprises, and the individual and private sectors of the economy. They have a fairly strong sense of market competition and modern commodity economy, do not follow the beaten path, have the courage to blaze new trails and make progress, and have also increased their wisdom and abilities when leading the enterprises to develop from small to large. In the transition to the socialist market economy, we should fully affirm their contributions in line with the criterion of productive forces and open up broader roads for them. Judging from the reality of the province, however, the number of such new-type entrepreneurs is still small. Therefore, we should put more efforts into guiding managers of large and medium state enterprises to free themselves from the influence of the outdated managerial pattern established under traditional systems and acquire as soon as possible the quality of enterprise legal persons conducting independent management amid market competition. We should gradually separate the management of entrepreneurs from the administrative array; break the limits of different professions, ranks, posts, years of service, and ownerships; and approach from the angle of the whole society and not stick to one pattern to discover and select outstanding enterprise managerial personnel. In selecting enterprise managers, we should adopt various methods, such as government appointment, democratic election, and public advertisement for job vacancies. We should ensure that plant directors have responsibility, rights, and benefits and enable them to actually assume responsibility for enterprises' property and their profits or losses and to gain appropriate benefits. Simultaneously, we should also strive to improve the policy environment to have entrepreneurs show their talents and grow in a sound manner. We should select outstanding skilled persons from party and government organs, send them to enterprises, have them temper themselves through the practice of enterprise management and become enterprise managers competent for the development of market economy, and strengthen the new-type entrepreneurs contingent.

C. We should further strengthen the improvement of party style and administrative honesty. In line with the 14th CPC Congress' new requirements and ideologies regarding to the improvement of party style and administrative honesty, we should firmly focus on the basic line of the party and the practice of reform, opening up, and economic construction; implement the principle of strictly running the party; regularly conduct the education on party discipline and party style among party members, and strengthen the sense of party discipline. We should conscientiously organize the vast number of party members to study the revised party constitution and link the spirit of doing pioneering work and blazing new trails with party spirit and the sense of party discipline. We should not only have the daring to attempt and conduct reform and do pioneering work, but also abide by party discipline and state law to ensure the smooth progress of reform, opening up, and economic

construction. We should strengthen the supervision over the enforcement of the party's political discipline and work discipline; concentrate on investigating and handling cases where the basic line of the party was violated, preventing the implementation of the party policies and the resolutions of the higher-level party committees that disturb reform and opening up; and bring into full play the party's discipline inspection departments' role in supervising the implementation of the party's political line, principles, and policies. In line with the requirements for being conducive to the setup of the socialist market economy and the elevation of the economy to a new high, we should regard the things permitted by the current party policies as those permitted by the party discipline, support the new things emerging through reform and opening up, and support and protect reformers. We should be determined to eliminate the problems that the masses have great complaints of, such as bureaucracy, formalism, the unhealthy practices of abusing power for selfish ends and indulging in extravagance and waste, and the bad practices in cadres and personnel affairs; strictly investigate and handle the cases of corruption and bribery, the cases due to negligence of duty, the cases of corruption and degeneration, and the cases of using power to apportion expenses from enterprises and the people; continue to attend to special improvement and rectification; correct the unhealthy practices within trades; and strictly enforce party discipline. We should resolutely carry out the system of responsibility for improvement of party style and administrative honesty, the party style examination system, the system of responsibility for further investigating misjudged cases and upgrading the improvement of party style and the quality of examining party discipline. We should continue to strengthen the setup of administrative honesty; set up and improve definite and specific systems and procedures for handling affairs that greatly impacts the grass roots level and enterprises, that is directly related to the people's personal interests, and that can easily invite malpractice, so as to further extensively carry out the "two-publicity and one-supervision" system.

4) We should resolutely safeguard political and social stability. The implementation of a series of new measures for developing the market economy; transforming enterprises' managerial mechanism and administration system; and conducting organizational structural reform and housing structural reform will certainly bring about the readjustment of the interests of various social strata and will certainly produce a certain degree of social shock. For instance, after decontrolling the grain prices, if we cannot pay the peasants after purchasing their grain in a timely manner, and if peasants cannot sell their grain, there will certainly be complaints among peasants. In the process of changing the enterprises' operational mechanism, there will certainly be some enterprises which must be merged to others or they will go bankrupt. If we fail to do a painstaking job in building the social guarantee system, it will certainly cause complaints among workers. If we carry out the organizational reform

in line with the principle of being small in organization and extensive in service, some organs will certainly be abolished, some cadres will certainly be transferred to other units, and some persons' work posts will certainly be readjusted. If we fail to properly solve the problem concerning personnel transfer, ideological fluctuations will take place. If we carry out diversified managerial and distribution forms, there will certainly be wide gaps between the welfare conditions and income of different classes of society. Failing to handle these gaps will lead to contradictions and frictions. All these problems require party committees and governments at all levels as well as various trade unions, the Communist Youth League organizations, women's federations and other mass organizations to carry out thorough investigations and studies and to do a penetrating and painstaking ideological and political work. We should be bold and stable in carrying out reform as demanded by Comrade Deng Xiaoping. Whenever a reform measure is set forth, we should always listen to the opinions of the masses and obtain the understanding, support, and positive participation of the overwhelming majority of the masses. In doing the ideological and propaganda work, we should implement the principles of unity, truth, stability, and encouragement, should strengthen the propaganda and education on the theory of building socialism with Chinese characteristics, and should strengthen the education on patriotism, collectivism, professional ethics, and social morality by centering on the tasks of building the socialist market economic system and pushing the province's economy onto a new stage. Therefore, we can improve the quality and level of the building of spiritual civilization. Around the introduction of major reform measures, various kinds of the press media should do more positive jobs to enhance the morale of the masses, ease contradictions, cohere the minds of the people, and reduce social shock. We should further perfect the systems of the people's congress, multiparty cooperation under the CPC's leadership, and political consultation. We should strengthen economic legislation and the supervision by laws over the implementation of various economic laws, rules, and regulations. We should also strengthen the functions of all levels of organizations of the Chinese People's Political Consultative Conference in uniting all democratic parties, nonparty patriotic figures and the masses of all nationalities on all circles to participate in and discuss the political affairs in line with the central task of the party. Political and legal work departments should, by closely centering on the central task of economic construction, give full play to the functions of law executive departments to deal resolute blows to hostile forces and various kinds of serious criminal offenses, to continuously investigate, check, and wipe out all kinds of ugly social phenomena, to strengthen the comprehensive control over social order, and to use the legal means to regulate the relations between different economic sectors, and to protect the masses' life and property safety as well as the normal production and managerial activities of enterprises. People's Liberation Army units stationed in the province

and the militia and reserve duty force have made outstanding contributions to stabilizing society and developing the economy of Heilongjiang. In the process of transiting the market economy and pushing the economy onto a new stage, we must further launch the activities of supporting the government and cherishing the people. We must further support the Army and give preferential treatment to the families of the soldiers and the joint activities of the Army and the civilians to strengthen the unity between the Army and the government, and between the Army and the people to promote the rapid development of Heilongjiang's economy, and the all-round progress of the society.

Comrades! We are now about to enter the New Year. Next year, 1993, will be the first year for pushing the province's economy onto a new stage. Success in next year's work is very critical to the enhancement of the people's morale and to the long-term development of the economy. In line with the 14th CPC National Congress guidelines and the overall plan on enhancing the economy onto a new stage, we should mobilize party organizations at all levels in the province and the vast numbers of party members to carry forward the spirit of reform, pioneering, and doing practical and solid job and to do a meticulous work to ensure the fulfillment of all the tasks defined by the outlines of the next year's work so that we can greet the convocation of the seventh party congress with practical action!

Heilongjiang Leaders Confer Police Ranks

SK2912062792 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 28 Dec 92

[Text] A ceremony was held in Harbin this morning to confer ranks on the people's police of the province. Attending the ceremony were leading comrades of the province and Harbin city, including Sun Weiben, Shao Qihui, Wang Zhao, Zhou Wenhua, Ma Guoliang, Wang Haiyan, Chen Yunlin, Xie Yong, Meng Qingxiang, Tang Zuohou, Du Dianwu, Du Xianzhong, and Suo Changyou.

At the ceremony, Xie Yong, secretary of the provincial party committee political science and law committee, read the Ministry of Public Security order on conferring the ranks of third-grade commissioner and supervisor. In Heilongjiang's public security departments, 33 people were given the rank of third-grade commissioner, and 3,032 people were given the rank of supervisor. The provincial public security department also announced the order on conferring the ranks of superintendent and constable. The provincial judicial department announced the order on conferring police ranks on the public security cadres and policemen of judicial departments.

Shao Qihui, deputy secretary of the provincial party committee and governor, gave a speech at the ceremony on behalf of the provincial party committee and government. After fully affirming the achievements won by the public security cadres and policemen of the province in

the past few years, he said: Holding a grand ceremony to confer police ranks to people's police fully shows that the party and the people attach great importance to the people's police and fully affirm their contributions.

Shao Qihui urged: Taking the enforcement of the system of police ranks as a turning point, people's police departments at all levels throughout the province should adhere to the principle of managing policemen strictly and, starting with discipline, work styles, police bearing, and police-populace ties, step up efforts to make their contingents revolutionary, modern, and regular ones. People's police should improve their quality and law-enforcement ability; play a better role in protecting the people, dealing blows to enemies, punishing crimes, and serving the four modernizations; and present themselves with a good work style and brand-new mental outlook before the people throughout the province.

Liaoning Secretary Attends Police Rank Ceremony

SK2912055792 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 28 Dec 92

[Text] A ceremony for the state security organs of the province to confer police ranks was held at the auditorium of the provincial armed police force on the morning of 28 December. Attending the ceremony were leading comrades of the provincial party committee, people's congress, government, committee of the Chinese People's Political Consultative Conference, and military district and leading comrades of Shenyang city, including Quan Shuren, Yue Qifeng, Wang Guangzhong, Xu Shaofu, Sun Qi, Ge Xifan, Ma Shenglin, Xu Wencai, Zuo Kun, Chen Suzhi, Cong Zhenglong, Zhang Chenglun, Wang Jingrong, and Zhang Mingqi. Also attending were relevant leaders of the provincial political science and law committee, court, procuratorate, public security department, judicial department, armed police force, and personnel department. Leading comrades of the Ministry of State Security also made a special trip to Shenyang to attend.

Vice Governor Cong Zhenglong presided over the ceremony. Chi Jinshan, director of the provincial state security department, read an order on conferring police ranks. Leaders of the province and the Ministry of State Security presented certificates to the personnel who were given police ranks. Governor Yue Qifeng extended congratulation to the cadres and policemen of the state security organs of the province on behalf of the provincial party committee and government.

Northwest Region

Xinjiang CPC Urges Market Economy Discussion

OW2912012592 Urumqi XINJIANG RIBAO in Chinese
10 Dec 92 pp 1-2

["Circular Issued by the Propaganda Department of the Autonomous Regional Party Committee Urging All

Localities To Unfold Deep-Going, Extensive Discussions on the Socialist Market Economy"]

[Text] With a view to fully implementing the 14th CPC National Congress guidelines and quickening the pace of reform, opening up to the outside world, and economic construction in Xinjiang, the fifth enlarged plenary session of the fourth autonomous regional party committee decided to unfold—on the foundation of the initial study of the 14th CPC National Congress documents—deep-going, extensive discussions on the socialist market economy among the cadres and masses across the region from December through the end of next June. Regarding the relevant issues, on 8 December the autonomous regional party committee's propaganda department issued the following circular:

I. Guiding Ideology and Purpose

The 14th CPC National Congress' proposal on establishing a socialist market economy is yet another important development of Marxist economic theory in our nation, as well as a consolidated summary of the socialist economic model with Chinese characteristics, which we are currently building. The study, propaganda, and implementation of the 14th CPC National Congress guidelines are the most important tasks of party committees at all levels for the moment as well as the near future. In the process of proceeding from realities in Xinjiang to make a full study and gain a deep understanding of the 14th CPC National Congress guidelines, all localities and departments should unfold extensive discussions on the socialist market economy. In unfolding this round of extensive discussions, they must follow the 14th CPC National Congress guidelines and persist in arming party members, cadres, and the masses across the region with the theory of building socialism with Chinese characteristics and the party's basic line. Through this round of extensive discussions, they should be able to provide specific resolutions to various ideological barriers that exist among the cadres and the masses; to promptly unfold a vigorous regionwide campaign of "studying the guidelines, paying attention to implementation, and changing ways of thinking"; to emancipate the mind; to change their mentality; and to seize the opportunity, to consequently lift Xinjiang's reform, opening up to the outside world, and economic construction to a new level.

II. The Focus and Crux of the Extensive Discussion

The focus of this round of extensive discussions is placed on leading cadres at all levels, particularly those at the county level and above. Its crux lies in concentrating efforts on "summing up experience, finding out where we lag behind, changing ways of thinking, drawing up measures, breaking through old conventions, improving policies, seeking truth from facts, and paying serious attention to policy implementation," in close conjunction with the realities in different localities, departments, and units. Therefore, leading cadres at all levels should further emancipate their minds; free their thinking and

actions from the trammels of abstract debates over the capitalist and socialist contents of the socialist market economy; and break down various ideological barriers as well as the ossified, backward, outmoded mentality that caused indiscriminate avoidance of confusion in favor of stability; in an effort to establish and develop a new mentality that is suited to the building of socialism with Chinese characteristics and to lead the people of various nationalities into making positive contributions to quickening the pace of reform, opening up to the outside world, and economic construction, and to attaining the goal of establishing a socialist market economy.

III. The Method and Requirements of the Extensive Discussion

It is necessary to carry out these extensive discussions in a different manner depending on the category and level. In farming areas, we should mainly unfold an extensive discussion on "marching toward a comparatively well-off living standard" in conjunction with socialist ideological education to push forward the rural economy's transition to a socialist market economy. Enterprises should mainly organize cadres and workers to center on the issues of the transformation of operating mechanisms and contracting of subcontracted projects to discuss ways to push the enterprises toward the market. Party and government organizations, particularly leading organizations at or above the county level, should center their discussions closely around building a socialist market economy, changing administrative functions, carrying out organizational reform, streamlining administration and delegating powers, improving work style, and upgrading efficiency. Departments dealing with science, technology, and education should center on the thinking that recognizes science and technology as the primary productive force and education as the foundation, to discuss ways to bring about an early transformation of scientific research achievements into productive forces. Judicial, procuratorial, and public security departments should discuss ways to provide political guarantees for building a socialist market economy and to serve the objective of reform.

All trades and lines of work should center their discussions closely around the building of a socialist market economic system and ways to better serve the central task of economic construction from all aspects.

In carrying out extensive discussions on the socialist market economy, we should closely integrate these discussions with the practice of reform, opening up to the outside world, and economic construction and be able to grasp the opportune moment in order to push forward reform and opening to the outside world. As this round of extensive discussions involves the self-education of the masses, we should have our eyes on emancipating the mind and changing the way they think. Therefore, discussions should be conducted in a lively and diversified manner. To ensure that this round of extensive discussions will progress in the right direction, the various units must implement the correct guiding principles:

One is to persist in seeking truth from facts; to proceed from realities; to keep in mind local conditions in the region together with those in other prefectures, autonomous prefectures, cities, and counties; to carry out serious planning based on the requirements of building a socialist market economic system; and to work hard to do a solid job. Two is to develop democracy, to draw on collective wisdom and absorb all useful ideas, to earnestly spread propaganda among the masses, to mobilize the masses, to respect the masses' pioneering spirit, and promptly to sum up and popularize representative experience. Three is to incarnate the guiding principles of stability, unity, realism, and motivation. While it is necessary to encourage the free airing of views, we also need to strictly avoid blaming each other. We should conscientiously uphold political stability and unity in the autonomous region and try in every possible way to bring into play the initiative of the cadres and the masses of all nationalities.

IV. Strengthen the Organization and Leadership of This Round of Extensive Discussions

This round of extensive discussions should be carried out under the unified leadership of party committees at all levels. Party committees at various levels should follow the unified arrangements of the autonomous regional party committee to earnestly carry out organization and meticulously give guidance in the light of local realities. The propaganda department of the regional party committee will adopt a method of work sharing and cooperation in organizing agricultural, economic, science and technology, education, and other relevant departments and personnel, as well as the working committees of government organs, to compile

outlines for explanations and publicity. Party committees of various prefectures, autonomous prefectures, cities, and counties, as well as leading party groups in relevant departments and bureaus, should organize explanation and publicity teams responsible for visiting the countryside, enterprises, government organs, schools, and neighborhoods to carry out extensive propaganda in an easy-to-understand manner.

Propaganda departments at all levels should strengthen their work in coordinating and providing guidance and services to this round of discussion activities. Aside from training key cadres in the explanation and publicity teams, and providing guidance materials for study, they should also strengthen investigation and study, search for and cultivate models, and popularize advanced experience. It is also necessary for various localities, departments, and units to organize different groups of people to study and master basic knowledge of modern commodity economics, market economics, science and technology, management, and other subjects; and to organize various forms of public lecture, discussion sessions, serial lectures, and quizzes on the socialist market economy. To participate in and give close support to these discussion activities, various press units should build up vigorous momentum for the swift forming of widespread public opinion in society.

Various localities should provide timely feedback and report to the propaganda department of the regional party committee on the state of affairs (including disposition, arrangements, measures, typical cases, and experience) in implementing the guidelines of the fifth enlarged plenary session of the fourth autonomous regional party committee, as well as their unfolding extensive discussions on the socialist market economy.

Jurists View Academic Exchange Visit to Taiwan

HK2612054692 Beijing ZHONGGUO XINWEN SHE
in Chinese 0730 GMT 24 Dec 92

[By staff reporter Zhang Lei (1728 7191)]

[Text] Beijing, 24 Dec (ZHONGGUO XINWEN SHE)—Eleven famous jurists from mainland universities and research institutions, including Chen Guangzhong, professor and president of the Chinese University of Political Science and Law, carried out academic exchanges in Taiwan and paid a short visit there 22-29 November, during which they attended the first cross-strait seminar on law science hosted by the Law Science Institute of Tung Wu University. This was the first group of mainland jurists to visit Taiwan for an academic exchange.

After returning to Beijing via Hong Kong, Professor Chen Guangzhong and Professor Zeng Xianyi, vice president of the Chinese People's University Law Science Institute, granted a special interview to this reporter, during which they said that they had gained and benefited much from their Taiwan trip.

Professor Chen Guangzhong related: More than 150 Taiwan academics attended the cross-strait seminar on law science, during which academics from both sides presented almost 30 theses and discussed education in law science, the history of law science, creditor's law in civil commercial law, the law of contracts, intellectual property rights, taxation law, as well as the application of and convergence with international economic law in cross-strait economic and trade exchanges.

This famous jurist, concurrently vice chairman of the Chinese Law Society, said: Academic exchanges between jurists on both sides of the strait are beneficial to promoting both sides' academics' mutual understanding and to establishing friendship on this basis. This will remove estrangement, enable both sides to learn from each other's strong points, and, in the long run, will play a positive role in promoting cross-strait exchanges and developing cross-strait relations. Directly speaking, this will be conducive to both sides' research into methods for settling economic disputes and similar problems arising in the course of their contacts and exchanges.

During the seminar, both sides briefed each other on the basic situations and relevant problems in the field of law science, Chen Guangzhong said. The 14th CPC National Congress decided to establish a socialist market economic structure. Unquestionably, this has set a demand for jurists to carry out research on the relevant legislation. Under these circumstances, it will be of practical significance for both sides to strengthen exchanges in the science of economic law.

Regarding the thesis on the contents of mainland administrative procedural law he proposed at the seminar, Chen Guangzhong said that Taiwan academics generally felt that mainland administrative procedural law was

comparatively complete and specific. In opening court sessions publicly, carrying out debate, and trying cases, equality is stressed between administrative personnel and civilians. Taiwan should particularly learn from the mainland's achievement in this respect.

Professor Zeng Xianyi, director of the Law Science Department of the Chinese People's University, has been very familiar with many academics in Taiwan's law science circles because he is specially engaged in the study of Taiwan legal issues. On their visit to Taiwan, he said that both sides had in the past conducted contacts on two occasions in Beijing and that they were close in feeling; if political factors can be removed for the time being, technically speaking there is no obstacle to conducting exchanges or holding seminars.

"Taiwan's law science circles take comparatively serious account of the research into the science of economic law, but they are very weak in the study of basic law science, including legal system history; obviously, both sides have their merits and demerits and mutual exchanges will bring about useful enlightenment to both sides," Professor Zeng Xianyi said.

He pointed out: Taiwan academics also recognize the strong influence and role of Chinese traditional law and culture in real life, therefore it is quite necessary for both sides' law science circles to understand and study the history of the Chinese legal system. Taiwan academics are of the opinion that Taiwan can enhance the level of its study of the special topic of the history of the legal system through cross-strait academic exchanges and research in the future or inviting mainland experts in the relevant field to go to Taiwan to give lectures.

Professor Zeng Xianyi pointed out that cross-strait exchanges are the trend of the era and are irresistible. The field of law science has a strong, mutually complementary nature, he said. The mainland's law science circles are rich in talented people, there are complete branches of science, and there are comparatively rich human and material resources in the field of macro research; whereas Taiwan's law science circles have conducted deep micro research into the science of economic law. Both sides can absolutely reach the expected goal of common improvement through consultations. He added that academics on both sides of the strait should conduct more contacts, increase understanding, and build more mutual trust and common ground.

He added that there are still many fields to deeply explore, therefore their visit to Taiwan will be useful to future research. Now the Law Science Department of the Chinese People's University has recruited 10 masters degree and doctorate holders to conduct research into Taiwan legal issues. Several books and more than 100 academic theses have been published. In the future, exchanges and discussions will be held with Taiwan academics on many problems.

Chen Guangzhong said: Civilians on both sides of the strait expect that jurists on both sides will abide by the

principle of serving compatriots on both sides in achieving more and producing more. Therefore both sides' academics should strengthen their exchanges, make common improvement, build mutual trust and common ground, and make all-out efforts to create a fine environment and space for cross-strait exchanges.

Fujian Vice Governor Urges Cooperation

HK2512034992 Hong Kong *THE STANDARD* in English 25 Dec 92 p 9

[Text] Fujian and Taiwan, which face each other across the strait, should be developed into common prosperous zones, according to Fujian vice-governor Zhang Jiakun. The move will in turn have a major effect for the formation of the South China Economic Circle in the region, Zhang said. He said the two sides should have more economic cooperation than military confrontation.

Zhang expressed optimism over the establishment of direct mail, transportation and trade links with Taiwan, saying there was more economic co-operation across the strait. He said he hoped Fujian would play a major role in these connections.

The end of martial law in Taiwan's Quemoy and Matsu islands last month was ample proof that tension of cross-strait relations was easing, he said. "In the cross-strait interests, both the eastern and western coasts should work for common prosperity with the aim of easing the strained relationship across the strait instead of creating tension," he said.

Fujian has been preparing for direct links with Taiwan by strengthening the construction of basic infrastructures such as roads, airports and wharfs. According to Lin Mingkan, director of the Overseas Chinese Affairs Office of the Fujian provincial government, the major preparatory works for the direct links were conducted in Fuzhou and Xiamen which were the important ports in the province. It was expected that the property market and other business interests in Fuzhou, the provincial capital of Fujian, would receive a boost as a result of such direct links.

One of the preparations is the construction of a berth for 7,500-tonne international passenger liners in the Fuzhou new port in Mawei development district. It is understood the building of the new Changle international airport in Fuzhou will also help cope with the future travellers' capacity once direct links with Taiwan are started. The expansion of the international airport in Xiamen will be completed by 1995. Fujian authorities have also planned to gradually develop the area at the mouth of Jiulong River into a port for direct links with Taiwan.

However, the vice-governor side-stepped the question on whether more military areas in Fujian would be transferred for civilian use as the tension across the strait was eased as a result of the removal of martial law in Quemoy and Matsu, which are just about two kilometres from the mainland. He said many military facilities had been handed over for civilian use since the reform and the adoption of the open policy.

As example, Zhang cited the airports of Fuzhou and Xiamen which used to belong to the army, while some naval ports had been opened for civilian use. "From the economic point of view, the army supports the new policy. If the (cross-strait) situation remains tense like in the past, there would be no opening and development," he said. China has not renounced the use of force to solve the issue of unification with Taiwan. Fujian has been one of the heavily-guarded provinces in China since Taiwan was set up.

Shanghai To Broadcast Program From Taiwan

HK2812144192 Beijing *XINHUA* Domestic Service in Chinese 0934 GMT 20 Dec 92

[Text] Shanghai, 20 Dec (XINHUA)—An air bridge for exchanges has been erected between Shanghai and Taipei, which are separated by the sea. "Popular Magnetic Field," a cultural and amusement program jointly sponsored by the Shanghai People's Broadcasting Station and the Taiwan Chungsha Advertisement Company, will officially go on the air on 19 December in Shanghai.

This is a new attempt of the Shanghai People's Broadcasting Station to promote cross-strait cultural exchanges and boost broadcasting.

In the program "Popular Magnetic Field," it is said that the moderator will interview the most popular singers from Taiwan, Hong Kong, and the mainland; discuss the hottest topics with listeners and fans; give an account of the latest information concerning music circles; broadcast Chinese and foreign popular songs; and provide listeners with the latest customs and styles of all parts of the world.

The "Popular Magnetic Field" program, which is hosted by Ni Peipei, one of the "10 most popular moderators" in Taiwan, will be broadcast for 60 minutes once a week. The program will be dispatched express from Taipei.

It has been reported that the Shanghai People's Broadcasting Station will at the same time provide Ni Peipei with cultural and amusement programs produced in Shanghai, which will be presented in "Stars Tonight," hosted by her in Taipei.

Foreign Minister on Future Ties With Hong Kong

OW2912081092 Taipei CNA in English 0744 GMT
29 Dec 92

[Text] Taipei, Dec. 29 (CNA)—The main concern in drafting a Taiwan-Hong Kong Relations Act is how to take good care of the rights and interests of Overseas Chinese [words indistinct] in Hong Kong. Foreign Minister Chien Fu said Monday.

Chien made the remarks during a meeting of the Overseas Chinese Affairs Committee of the Legislative Yuan.

The government is considering formulating an act governing relations between Taiwan and Hong Kong after the British Crown Colony reverts to mainland Chinese rule in 1997. The government will regard Hong Kong as "an area different from the mainland" after the "doomsday."

Chien said there would be no place for the Foreign Ministry in Hong Kong after it reverts to the mainland rule.

The minister noted that Hong Kong is a very special place for Taiwan since it is neither a country, nor should it be regarded as a part of the mainland. At present, it is a colony of Britain. The Foreign Ministry cannot develop diplomatic ties with a colony.

Currently, the ministry's activities in Hong Kong are restricted by both British and mainland authorities. After 1997, the ministry will not have activities there because it will no longer be a foreign-governed territory, Chien said.

The ministry recently sent three more officials to work in the country's representative office in Hong Kong, Chien reported.

He noted that there are still many Chinese Hong Kong residents loyal to the Republic of China [ROC]. "We should take good care of their interests after 1997," he stressed.

President Shows 'Concern' About Strait Trade

OW2912083992 Taipei CNA in English 0825 GMT
29 Dec 92

[Text] Taipei, Dec. 29 (CNA)—President Li Teng-hui Monday called for ways to ensure that Taiwan will not over-rely on the mainland market and to better protect Taiwan investments on the mainland.

Li made the remarks after hearing a report on the current cross-strait economic and trade relations.

The indirect trade between Taiwan and the mainland soared to US\$7 billion in 1992, up from US\$1.5 billion since the government in 1987 lifted its four decade ban on visits to the mainland by Taiwan residents for family reunions, according to the report.

The president showed his concern about the mounting trade across the Taiwan straits, referring to the possibility that Taiwan could be held hostage economically by the mainland. Li also asked that special attention be paid by government agencies to the protection of Taiwan investments on the mainland.

Taiwan invested US\$949 million as of the end of September. [words indistinct] economists believe the volume should have exceeded US\$10 billion.

Responding to [words indistinct] instruction, Vice Economic Affairs Minister P.K. Chiang said he personally favored cooperating with foreign partners when making investments on the mainland since Taiwan is in short of an investment guarantee agreement with the mainland.

The Investment Commission under the ministry pledged to push ahead the "collective investment formula" and the formation of clubs [words indistinct] Taiwan investors on the mainland, a way the commission said can give Taiwan investors a greater say when bargaining with the mainland authorities.

The commission promised to step up work in the compilation of mainland investment rules, and sponsor seminars for prospective Taiwan investors.

Least but not last, the commission pointed out, Taiwan firms should spare no efforts to ensure they will remain ahead of the mainland in technology, marketing and management.

Restrictions on PRC Media, Publications Lifted

OW2912082392 Taipei CNA in English 0805 GMT
29 Dec 92

[Text] Taipei, Dec. 29 (CNA)—The cabinet Mainland Affairs Council (MAC) Monday approved the restricted production, publishing and broadcasting of mainland publications, including printing, video and audio, in Taiwan.

The MAC-approved regulations stipulated that motion pictures and broadcast programs from the mainland will be allowed to be imported and shown only by government and research institutes for non-profit purposes.

Mainland videotapes, enjoying lesser restrictions than films and broadcast programs, are permitted to be shown in public places, again only for non-profit purposes, the regulations ruled.

The regulations also indicated that all printed publications from the mainland are allowed to be marketed in Taiwan, except those advocating communism and amplifying the United Front strategies of the communists.

Measures Regulating Investments in PRC Approved

OW2912084292 Taipei CNA in English 0815 GMT
29 Dec 92

[Text] Taipei, 29 Dec (CNA)— Mainland-destined investments will be subject to greater regulation as the Mainland Affairs Council (MAC) Monday [28 December] approved measures governing investments on and technological cooperation projects with the mainland by Taiwan companies, an economics official said Monday.

"With the measures, existing Taiwan interests on the mainland will be legalized," said an official with the Ministry of Economic Affairs.

As of the end of September, 2,662 Taiwan firms had invested a total of US\$99 million across the Taiwan straits, according to statistics compiled by the ministry's investment commission.

The 2,000 [words indistinct] firms in the government registry, however, lags far behind the actual figure, which MAC Vice Chairman Ma Ying-jeou puts at more than 5,000.

All investors must report to the ministry in the three months after the measures become effective, or face fines of up to NT [New Taiwan] \$15 million (US\$590,000). The measures will go to the Executive Yuan for final approval.

The measures stipulate that any mainland-bound venture with less than US\$1 million paid-in capital need not set up a subsidiary in a third country through which the investments can be made.

"That will be a great convenience to small investors, which account for a majority of the 2,662 investments," the official indicated.

While saying the measures will surely help regulate mainland investments, the official emphasized that they in no way signal Taiwan is opening its door wider to the mainland.

The present indirect investment requirement, designed to protect Taiwan investors in the absence of an investment guarantee agreement, will remain intact, the official pointed out.

Provisions of the measures stipulate that whatever the type of investment, either wholly- or jointly-owned, all must be made through a third place.

Under the measures, the official added, any Taiwan interests on the mainland will be required to establish a subsidiary in a third country whenever paid-in capital is increased to more than US\$1 million.

Lack of Trust 'Obstacle' to Strait Relations

OW2912084092 Taipei CNA in English 0820 GMT
29 Dec 92

[Text] Taipei, Dec. 29 (CNA)—A lack of mutual trust is the biggest obstacle to the "normalization" of relations between the two sides of the Taiwan straits, a visiting mainland Chinese scholar said Monday [28 December].

"After several days of stay here, I have found that while Mainland China fears Taiwan may 'run away' (say, declare independence), people here are afraid to be 'swallowed' by the mainland," noted Jiang Dianming, director of the Institute of Taiwan under the Academy of Social Sciences of China.

"Against this background," Jiang said, "how can both sides develop cooperative ties?"

It is therefore unrealistic to call for early reunification of China, Jiang observed. At the moment, he said, the most important task for both sides is to promote mutual understanding and eliminate animosity.

"In my opinion," Jiang said, "high-level contacts are needed to resolve certain political problems that have hindered development of cross-strait relations."

Jiang said Taiwan has repeatedly urged Peking to renounce the use of force against it and treat it as an equal political entity. "I don't think Peking is likely to do so before it has held high-level negotiations with Taiwan authorities," he noted.

Jiang made the remarks during a seminar on cross-strait relations sponsored by the Mainland Affairs Research Center in Taipei. Many local academics and mainland affairs officials attended the session.

Jiang and his deputy Guo Xiangzhong [name as received] arrived in Taipei last week for a 10-day visit.

Development Council Reports Economic Slowdown

OW2912082892 Taipei CNA in English 0754 GMT
29 Dec 92

[Text] Taipei, Dec. 29 (CNA)—Reports of a decline in the government's major forecasting gauge and the nation's economic performance getting a lackluster "yellow-blue" light in November indicate that the domestic economy is in a slowdown.

The Council for Economic Planning and Development (CEPD) reported Monday that the index of leading indicators, designed to forecast economic activities in the next three to five months, stood at 111.1 last month, down 0.3 percentage points from October.

The forward-looking statistics in November marked the lowest level in 18 months, CEPD officials noted.

In addition, they said, the November's index of coincident indicators, which reflects the country's economic

health for the month, were rated at 134.6, a 0.4 percentage point fall from a month before.

The economy won a score of 21 last month in the CEPD-designed scaling system, which measures the economy based on nine major indicators: Export value, stock prices, check default rate, export orders, money supply, industrial production index, bank lending, factory inventories, and the non-farming employment rate.

With the score, also the lowest in one and a half years, the economy got a disappointing "yellow-blue" light in November. Except for September and November, the past 18 months saw the flash of a safe "green light," the officials pointed out.

The CEPD uses a five-color rating system to reflect the country's economic prospects. "Red light" means the economy is overheated. "Yellow-red" signals brisk economic growth. "Green" indicates steady growth. "Yellow-blue" shows economic slowdown, while "blue" means recession.

The minimum score for a healthy "green" light is 23.

Hung Hui-yen, a CEPD section chief, blamed the gloomy performance in November on the plunge in export orders and industrial output, and the rise in the check default rate.

An accompanying survey conducted by the CEPD on domestic manufacturers shows that orders received last month slipped four percent and 5.3 percent respectively from October and a year ago, while production capacity stood at 76.2 percent, down 0.2 percentage points separately from a month and a year earlier.

On the economic outlook for the coming three months, 58 percent of the manufacturers polled forecast no change, 21 percent predicted that it will turn for the better, and the remaining 21 percent said that it will become worse.

Noting that the worldwide sluggishness is part of the reason behind the economic slowdown at home, Hung stressed that the domestic economy is now moving on a recovery track. People here need not worry about a recession, she said.

Generally speaking, she elaborated, the growth ranges between six percent and eight percent when the economy has a "green" light rating, with growth dropping to below six percent when a "yellow-blue" light flashes.

Judging from the standards, the growth rate in September and November may have dipped to less than six percent, she added.

Meanwhile, the Central Bank of China (CBC) voiced a somewhat pessimistic view of the economy.

According to tallies released by the central bank, altogether 13.46 million checks in the aggregate amount of NT [New Taiwan] \$3,549.09 billion (about US\$141.96 billion) bounced in November.

The ratio of bad checks stood at 0.52 percent in number and 0.39 percent in amount, both marking the second highest single-month levels in two years, CBC officials said.

Investment Pact With Malaysia Slated for 1993

OW2912082592 Taipei CNA in English 0759 GMT
29 Dec 92

[Text] Taipei, Dec. 29 (CNA)—The proposed Sino-Malaysian investment guarantee agreement will be signed next February in Taipei, Economics Minister Vincent C. Hsiao said Monday [28 December].

Hsiao, who just returned from a visit to Indonesia and Malaysia, said that Malaysian International Trade and Industrial Minister Rafidah Aziz announced the decision to sign the pact after its approval by the Malaysian cabinet.

Hsiao said that one of the reasons for signing the agreement was to avoid double taxation with Malaysia, one element in the effort to further improve economic and trade relations between the two nations. The purpose of the pact is to ensure that investments will not be confiscated or "nationalized."

The nation has signed similar pacts with Singapore, Indonesia, the Philippines, Panama and Paraguay.

Hsiao also said that Indonesia has agreed to sell more liquefied gas, crude oil and coal to the ROC in addition to entering joint venture plans to exploit oil and to develop oil refinery and hydropower plants.

He detailed during the recently-concluded third Sino-Indonesian energy conference in Jakarta that the ROC [Republic of China] proposed to import 750,000 tons more of liquefied gas yearly, 200,000 barrels of crude oil daily and 450,000 tons more of coal.

Indonesia has agreed in principle to the requests, though detailed plans have yet to be worked out by the concerned bodies of the two sides.

Additionally, the two nations agreed to jointly exploit crude oil in Sumatra and to build crude refineries. In return, the ROC has promised to help Indonesia develop hydropower plants.

Hong Kong

Editorial on Continued 'Confrontation' by Patten

HK2912053092 Hong Kong WEN WEI PO in Chinese
28 Dec 92 p 12

[Editorial: "Chris Patten's Confrontation Act During Christmas"]

[Text] Chris Patten did not rest during the Christmas holidays; he and his officials at the department level stepped up their activities to push his constitutional reform package. First, they attempted to "lobby" Legislative Council [Legco] members who oppose Chris Patten's package and formed a front with the United Democrats of Hong Kong [UDHK] to escort Chris Patten's constitutional reform package. Second, they attempted to put pressure on the Chinese side through the Sino-British foreign ministers meeting, which is upcoming in March.

Since Chris Patten dished up his constitutional reform package, Hong Kong residents have seen through to its actual effect of jeopardizing Sino-British cooperation, convergence with the Basic Law, and Hong Kong's prosperity and stability. The number of people opposing it has been growing continuously, and Chris Patten has become increasingly isolated. In view of the fact that an agitated public is hard to deal with, Chris Patten has resorted to a clever scheme to polarize and disintegrate opposing forces from various sides in Hong Kong. One of his tricks is pinning hopes on some Legco members' setting out a "counter-proposal"; another trick is seeking "compromise"; and still another trick is saying that the British side would discuss Patten's package at any time to give people the erroneous impression that the two sides "would talk."

During the Christmas holidays, the British Hong Kong Government's "lobbying" was extraordinarily accelerated. Chris Patten launched a Christmas propaganda offensive, delivering speeches on two radio stations and a television station consecutively; in addition, he published an article entitled "Who Will Believe One Country, Two Systems" in a monthly journal, asserting that his package has "not violated the Basic Law," "many Hong Kong residents seem to support these proposals," while attacking the Chinese side having "overreacted" to his "mild proposal."

On Hong Kong radio, Chris Patten said: "I hope that the present situation is just an overreaction"; "my constitutional reform package does not exceed the demands of the Hong Kong residents, nor does it fall short of their demands"; "any counterproposals are welcome"; and, "hopefully, the present dispute over the constitutional reform will soon be over."

Chris Patten has elaborately cooked up the "counterproposal" trap and aims to use it to dissolve the opposition camp. As a first step, his royalist tool the UDHK proposed a "counterproposal" of 30 seats for direct

election in 1995 to highlight the "mildness" of Chris Patten's package and demonstrate that it is actually "helpful to the Chinese side." Then, an appointed Legco member outlined a "compromise" project, calling for Legco members to reach a common understanding on the underlying principle of the electoral commission and functional categories, "after which they would put pressure on the Chinese side with Legco's so-called "common understanding." The "compromise" project in actual fact violates the constitutional system stipulated in the Basic Law. It has resorted to the trick of pulling the wool over people's eyes to pursue some "minor revisions" under the pretext of "compromising" but under the prerequisite of violating the Basic Law. Good and honest people should not let themselves fall into this trap, for once they have been trapped, Chris Patten will tie them to his chariot and fight the Chinese side to the very end.

In Chris Patten's mind, "a better proposal" is actually "one which has more seats for direct election." He said that his package "will not fall short of Hong Kong residents' demands," but who are the "Hong Kong residents" he refers to? They are precisely those "Hong Kong residents" who are in the Legco and under his control. This being the case, any proposals that fall in line with the constitutional system stipulated in the Basic Law cannot be "better" in Governor Patten's eyes, nor will he accept them.

Chris Patten's wishful thinking is to order Hong Kong residents to fight the Chinese side in a war of public opinion on the basis of the so-called "Legco's public opinion." This will never be successful; rather, it will further worsen Sino-British relations. Allen Lee Peng-fei believed that it was impossible to make Legco members from different parties and factions reach a "common understanding." The UDHK demand for an increase to 30 directly elected seats basically runs counter to the Basic Law. Under the circumstances, when the Basic Law's principle has been violated and the goals of a stable transition and convergence of the constitutional system have been disregarded, it will be very difficult for the Cooperative Resource Center to cooperate with UDHK.

Allen Lee Peng-fei said, "the Sino-British foreign ministers' meeting coming up in March may not necessarily be a favorable turning point for settling the disputes between the two countries." This viewpoint is rather realistic, because Chris Patten stated his position once again during the Christmas holidays, insisting that his constitutional reform package "has not violated the Basic Law" and that he would "discuss my proposals with the Chinese side at any time," while insisting on the principle of being "fair and open, without violating the will of Hong Kong residents' will" and "free from any preconditions." The phrase "free from any preconditions" is a lie, because it is synonymous with "refusing to withdraw Patten's constitutional reform package." Chris Patten has set a precondition, namely that talks should be conducted on his package. That, of course, is wishful

thinking. Back in February 1990, China and Britain reached an agreement on the convergence of the constitutional system, and a plan for the constitutional system was formulated in the Basic Law after four years of consultation. China and Britain have no option but to fulfill their promise to converge with the Basic Law, and only when this happens will there be a foundation for talks. Chris Patten has gone his own way in formulating his own constitutional reform package in a breach of faith, and this will only create a roadblock to talks. The plan for the constitutional system has already been written down in the Basic Law, and a colonial governor has no right to formulate another plan for the constitutional system of what will be a special administrative region of China after 1997, and that is an act which violates sovereignty. When Chris Patten said that he "believes" in "one country, two systems," he actually meant the "one country" in which Britain can arbitrarily violate China's sovereignty—and what kind of "country" would that be? The "two systems" he referred to are actually two political bodies, which turns Hong Kong into an independent body under British domination.

China will never concede on the issue of sovereignty. If the roadblocks are not removed, what can be discussed? Chris Patten and his lobbyists' attempt to get by under false pretenses will never succeed.

Article Warns of Outcome of Patten's Proposals

HK2712073092 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 51, 21 Dec 92 pp 22-24

[Article by Huang Wentao (7806 2429 3447): "Chris Patten's 'Constitutional Reform' Proposals Will Bring No End of Trouble to Hong Kong"]

[Text] Hong Kong Governor Mr. Chris Patten unilaterally put forth the so-called "constitutional reform package" on Hong Kong's political system issue, thus sparking the most intense dispute between China and Britain on the Hong Kong issue in the last 10 years. Now the essence of the dispute between the two countries is clear, that is, whether or not the development of Hong Kong's political system should converge with the Hong Kong Basic Law and whether or not China and Britain should continue to cooperate on the basis of the Joint Declaration. In terms of the current situation, Patten chose the line of derailment [tuo gui 5192 6510] and a form of confrontation. The recent repeated Hong Kong stock market slumps were the direct evil consequences of the incidents provoked by Patten and the confrontation on which he insisted. If the British Hong Kong authorities cling obstinately to their course, the resulting evil consequences will continue to bring serious harm to Hong Kong's stability and prosperity and jeopardize the Hong Kong people's interests.

Patten's Provoking of Incidents Has Seriously Affected the Political Security Mechanisms for the Return of Hong Kong's Sovereignty and Smooth Transition

Since the early 1980's, Hong Kong has been facing a process of economic transformation as well as the return of sovereignty and smooth transition in political terms. For Hong Kong, the transformation and transition serve as an unprecedented challenge and historic turning point, and for the friendly and cooperative relations between China and Britain they serve as a severe test. A matter for rejoicing was that in those days, through negotiations, China and Britain set a positive and steady-state objective for the transformation and transition: Economically, efforts will be made to continue to safeguard Hong Kong's status as an international economic, financial, and trading center and its long-term prosperity; politically, after resuming sovereignty over Hong Kong, in accordance with the principle of "one country, two systems," China will continue to maintain that Hong Kong's current social and economic systems, lifestyles, and laws will remain basically unchanged.

To achieve the above-mentioned objective, China and Britain set up a complete set of political security mechanisms: On the level of common policy—China and Britain signed a Joint Declaration, which serves as the foundation on which the two countries cooperate with each other on the Hong Kong issue; on the level of China's state laws—the Chinese Government has enacted the Basic Law for the Hong Kong Special Administrative Region [SAR], which serves as the main mechanism for ensuring the return of Hong Kong's sovereignty, achieving smooth transition and transfer, and ensuring Hong Kong's long-term prosperity and stability; and on the level of diplomatic operation—to solve the various problems relating to the transition and smooth transfer in 1997, China and Britain have established a Sino-British Joint Liaison Group and a Land Commission and conducted multilevel, multichannel, and regular or nonregular diplomatic meetings, communications, consultations, and exchanges.

In the last 10 years or so, although there were twists and turns in Hong Kong's transformation and transition, overall, Hong Kong has enjoyed economic prosperity and social stability. The public has been reassured and steady advances have been made in the actual political process of the return of sovereignty and transition. The facts have shown that the above-mentioned political security mechanisms established by China and Britain are perfect and sound and the work and cooperation in correspondence with the framework and mechanisms have yielded good results, enabling Hong Kong to avoid the turbulence and lack of tranquility which may possibly occur while experiencing tremendous historical changes and providing an important prerequisite and guarantee for Hong Kong to advance toward the positive and steady-state objective of transformation. Hence, they have enjoyed the universal support and approval of the Hong Kong people.

Nevertheless, Patten's "constitutional reform package" is both a violation of the principles and spirit of the Sino-British Joint Declaration and a direct contravention and infringement of the Hong Kong Basic Law. It is also a breach of the agreements and understanding reached by China and Britain and, in fact, it is fundamentally an open challenge to the complete political security mechanisms ensuring Hong Kong's smooth transition as well as stability and prosperity. This irresponsible move, which completely disregards the Hong Kong people's interests, is out-and-out politician's behavior. Now people in all walks of life in Hong Kong have seen more and more clearly the harm brought about by Patten's so-called "reform" to the Hong Kong people. If the British Hong Kong authorities continue to arbitrarily disrupt the explicit and effective political security mechanisms that ensure the prospects of Hong Kong's stability and prosperity, it is most likely that Hong Kong will land itself in a state of crisis in which the situation of stability is disrupted. This will be another inglorious political misdeed left by the Great British Empire before quitting Hong Kong.

The Hong Kong SAR's Future Political Structure Is Conducive to a Smooth Transition and the Advocacy of "Hong Kong People Governing Hong Kong"

In the issue of political structure following the return of Hong Kong's sovereignty, above all else, we should change and transform the colonial rule structure imposed on the Hong Kong people for more than 100 years and establish a new political structure with the principle of "one country, two systems" as the guide and compatriots as the main body, a structure commensurate with Hong Kong's social and economic development and characterized by "Hong Kong people governing Hong Kong." The basic idea or the principle spirit of the new structure includes three aspects: First, the political structure of the Hong Kong SAR "is aimed at ensuring Hong Kong's stability and prosperity"; second, in accordance with the guiding principle asserting that "Hong Kong's existing capitalist social and economic systems, lifestyle, and laws will remain basically unchanged," the political structure that reflects Hong Kong's existing social and economic systems and lifestyle should also not be changed tremendously; and third, the new political structure "must take the interests of all social strata into account, help develop the capitalist economy, and develop a democratic system by proceeding in an orderly way and step by step, while preserving the effective aspects of the existing political structure."

In line with this spirit, the Hong Kong Basic Law has designed the future political structure. As everyone knows, the drafting of the Basic Law took as long as four years and eight months. The drafting committee held nearly 200 big and small meetings, which took some 400 days in all. During the meetings, large-scale, long-duration, extensive, and systematic work for soliciting opinions was conducted twice in Hong Kong and on the mainland. During the solicitation period, the number of submissions of opinions handled was more than 70,000.

The process of drafting the Basic Law was a full embodiment of democracy and a political practice of full participation by the Hong Kong people. The enactment of the Basic Law is the result of the Hong Kong people's consensus of understanding. The Basic Law's designing of the future political structure has laid a solid foundation for Hong Kong's healthy, normal, and steady political development and provided a reliable guarantee for Hong Kong's sustained economic prosperity and long-term social stability, thus winning the full approval and support of the broad masses of the Hong Kong people.

As the writer of this article sees it, the Hong Kong SAR's future political structure has the following characteristics: First, being nonsovereign. The Hong Kong SAR will be directly under the authority of the central people's government. Entrusted by the National People's Congress, the region will exercise a high degree of autonomy, and be invested with executive, legislative, and independent judicial power, including that of final adjudication; second, not being isolated. Hong Kong's political structure is commensurate with the realities in the whole society's economic development; third, continuity and gradual progress. This is mainly manifested in the fact that the framework of inner relations of the political structure and the development process of democracy need to follow a certain principle of assuming legacies and the principle of advancing gradually in due order; fourth, balanced participation: consideration should be given to the full, fair, and balanced participation by people in all walks of life and of all strata; and fifth, government-led internal mechanisms and harmony and cooperation between different departments.

The "Constitutional Package" Will Channel a Disastrous Structural Element Into Hong Kong's Political and Social Systems

With his so-called "constitutional package" donning the gorgeous cloak of "speeding up the process of democracy," in fact, Patten is using the customary tactics adopted in the past by the colonialists when withdrawing from their colonies.

In the study of Western political science, the model which Britain—the old-brand colonial empire—followed or adopted is called "preparatory theory," that is, in the process of "decolonization," to retain British interests to the maximum and realize "British rule without British people," the model of British party politics or parliamentary politics was implanted in their colonies. At the same time, contradictions in the political, economic, cultural, religious, ethnic, and other fields in the colonies were artificially created or magnified, the pro-British forces were supported to antagonize local nationalist forces, and in-fighting was incited so that factions of various political forces would check one another. This would enable Britain to manipulate the runaway local political situation as a mediator and reap from others' conflicts.

Patten's so-called "reform" is in essence an application of the British colonialists' habitual way of doing things.

According to his package, the core of the change in Hong Kong's political system is gradually turning the legislature into a power center, and the other resulting changes revolve around this basic point. Judging from the actual political operation following the big change, it will unavoidably bring about a series of structural contradictions and conflicts, not to mention that it is all the more already a direct violation of the Basic Law and the Joint Declaration.

For example, the "package" suggests separating the Executive and Legislative Councils and abolishing the system of some Executive and Legislative Council members holding concurrent posts in each other's councils. In reality, this means changing once and for all the pattern in which the two councils have cooperated with and checked each other for a long time and its operating mode and charting a pattern of the two councils confronting each other. In the framework and functions of the Legislative Council [Legco], the most noticeable change proposed by the "package" is that the Legco "must have clear and separate management of its own affairs, have the power to develop its own committee structure and the powers to put forth, revise, examine, and veto or pass bills as well as the power to summon the chief executive and senior government officials of administrative departments for inquiries. At same the time, according to the direct election of district boards, Urban Council, and Regional Council as designed by the "package," these regional organizations are to be turned, in fact, into local organs of political power. The greatest drawback of the above-mentioned changes and designs is the comprehensive and thorough establishment of a complete set of legislative-led political systems, thus tremendously battering the executive-led structure which has worked effectively for a long time.

As another example, in the election method for functional constituencies, in fact, the "package" will turn the existing form of indirect election into one of direction election and at the same time give about 2.7 million people in employment the right to a second vote. Obviously, this will artificially create contradictions and unfairness between different social groups.

It can thus be seen that if the "political system reform" put forth by Patten by following in the colonialists' footsteps is carried out, it will surely lead to sufficient contradictions to paralyze Hong Kong's political, social, and economic systems. The morale of the senior administrative officials and public servants will be assailed, and they will be shorn of their prestige. The highly efficient, authoritative executive-led government control structure will gradually disintegrate and collapse. At the same time, a small number of interest groups may possibly form a new monopoly force in the legislature, share political spoils, defend those who belong to their own factions and attack those who do not. While the various departments in the framework of the political system dispute with each other endlessly, the contradictions among them intensify, and the political systems are confused and powerless, the investment environment

will deteriorate rapidly; while social harmony will disappear and social instability will manifest itself in various forms. It is self-evident whether such a political system riddled with conflicts and contradictions and vulnerable to disputes is bad or good fortune for Hong Kong.

Historically, the "constitutional development process" designed and pursued by Britain while quitting its colonies left the colonies endless disasters. Some of the former British colonies are bogged down in serious in-fighting and confusion and others have not freed themselves from poverty, backwardness, and internal disorder to this day. Patten's so-called "constitutional reform package" has immediately caused antagonism and splits in Hong Kong society. This is only a beginning, but it has made people much worried. This being the case, it is only natural that the Chinese side will never sit idly by while Patten uses Hong Kong's stability and prosperity as the stake in his reckless political gambling. For the sake of Hong Kong's long-term future and in order to safeguard the Hong Kong people's fundamental interests, the Chinese side will firmly resist and strike powerful counter-blows at Patten's disgusting conduct.

Government Returns 'Voluntary' Vietnamese Refugees

OW/2912105692 Beijing XINHUA in English
1026 GMT 29 Dec 92

[Text] Hong Kong, December 29 (XINHUA)—The Hong Kong Government sent back the 140th group of 260 Vietnamese refugees today under a voluntary repatriation program of the United Nations High Commissioners for Refugees.

The group included 108 men, 61 women, 43 boys and 48 girls.

The group brought to 12,332 the total number of Vietnamese refugees who have returned voluntarily this year, and to 26,312 the total number of returnees since the program started in March 1989.

Macao

Economic Development Showing 'Rising Momentum'

OW/2812194392 Beijing XINHUA in English
1620 GMT 28 Dec 92

[Text] Macao, December 28 (XINHUA)—The economic development of Macao witnessed a smooth rising momentum in 1992, with an expected annual growth rate of 5 percent, 1.9 percent higher than that in the previous year.

Statistics show Macao's trade value in the first 10 months of this year totaled 24.7 billion patacas (3.08 billion U.S. dollars).

The export value, mainly of garments and textiles, came to 11.7 billion patacas (1.46 billion U.S. dollars), 7.2 percent more than that in the same period of last year.

The import value rose by 6.1 percent at 13 billion patacas (1.6 billion U.S. dollars). Over 80 percent of the imports were consumer goods, raw materials and semi-finished products.

Macao registered a trade deficit of 1.3 billion patacas (162.5 million U.S. dollars) in the first 10 months of 1992.

Local economists attributed it to the lack of natural resources, growing demand for consumer goods and construction of a number of large municipal projects.

Tourism, the pillar industry of Macao, was thriving. Macao received 4.67 million travelers in the first three quarters of this year, representing a 2.2 percent increase over the corresponding period of 1991.

Meanwhile, the number of visitors from the Chinese mainland to Macao increased by a big margin. The latest statistics showed 130,000 mainlanders visited Macao in the January-August period, a 30 percent increase over the figure a year before.

In capital construction, Macao built 9,000 residential flats this year, an increase of 143 percent over the

previous year. Construction of buildings for commercial and industrial use rose by 120 and 78 percent respectively.

Inter-bank loan transaction between Macao and Hong Kong and between Macao and the Chinese mainland was active. By the end of August, local banks had a combined property surplus of 32 billion patacas (4 billion U.S. dollars), registering a 22 percent over the previous year.

Development of the tertiary industry was brisk. Some 250 new hotels, restaurants and department stores opened in the first seven months, a 73 percent rise over the same period of last year. The import value of consumer goods went up by 18 percent. But the consumer price index dropped back to 8.35 percent from 9.8 percent in the corresponding period of 1991.

The key reason for the all-round development of Macao was closer cooperation with China, especially provinces in southern China, and a breakthrough in bilateral trade development with the European Economic Community in recent years.

Local economists are optimistic about development in 1993. They believe that Macao's economy will shift from the present export-oriented pattern to one with the tertiary industry as the pillar.

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